

7001006902

DOH \$4,853,000

**REDEVELOPMENT AGREEMENT**

CITY OF CHICAGO

AND

MONTCLARE SENIOR RESIDENCES PHASE I, L.P.

WE HEREBY CERTIFY THIS TO BE A TRUE AND ACCURATE COPY OF THE ORIGINAL DOCUMENT FILED WITH THE REGISTRAR OF TITLES ON 12/22/00 AS DOCUMENT NO. 0001006902 CHICAGO TITLE INSURANCE COMPANY

BY [Signature]  
CLOSING OFFICER

8001253

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Exhibit A	Redevelopment Area Legal Description
Exhibit B	Site Legal Descriptions
Exhibit C	Redevelopment Plan
Exhibit D	Financing for the Project
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Exhibit F	Project Budget
Exhibit G	Plans and Specifications
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Exhibit I	Requisition Form for TIF-Funded Interest Costs
Exhibit J	Schedule of Maximum Amount of TIF-Funded Interest Costs
Exhibit K	Minimum Equalized Assessed Value

This instrument prepared by  
and when recorded return to:

Steven J. Holler  
City of Chicago  
Office of Corporation Counsel  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602

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## REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (the "Agreement") is made as of this 21<sup>st</sup> day of December 2000, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing ("DOH"), and Montclare Senior Residences Phase I, L.P., an Illinois limited partnership (the "Developer").

### RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the authority to promote the health, safety and welfare of the City and its inhabitants, to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), to finance the redevelopment of conservation areas.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on August 30, 2000: (1) "An Ordinance of the City of Chicago, Illinois, Approving a Redevelopment Plan and Project for the Montclare Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois, Designating the Montclare Redevelopment Project Area a Redevelopment Project Area Pursuant

## SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in Paragraph B of the Recitals hereto.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Available Incremental Revenues" shall mean those Incremental Taxes deposited in the Incremental Taxes Fund attributable to the taxes levied on the Property, to the extent available, allocated by the City in each fiscal year and in the amounts set forth in Exhibit E hereto for payment of the TIF-Funded Interest Costs.

"Certificate" shall mean the Certificate of Completion described in Section 8 hereof.

"City Funds" shall have the meaning set forth in Paragraph G of the Recitals hereto.

"City Loan" shall mean the loan made by the City of Chicago for the Project, in the amount and on the terms set forth in Paragraph 3 of Exhibit D hereto.

"City Note" shall mean the City of Chicago Multi-Family Housing Revenue Note, (The Montclare Senior Residences Project), Series 2000A, in the amount and on the terms set forth in Paragraph 2 of Exhibit D hereto.

"Corporation Counsel" shall mean City's Office of Corporation Counsel.

"Developer's Architect" shall mean Kachoris Altay Architects, Inc., an Illinois corporation.

"Employer(s)" shall have the meaning set forth in Section 11 hereof.

"Environmental Laws" shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

"Events of Default" shall have the meaning set forth in Section 16 hereof.

"FHA-Insured Loan" shall have the meaning set forth in Paragraph 1 of Exhibit D hereto.

**"Financial Statements"** shall mean complete audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices.

**"First Mortgagee"** shall mean TRI Capital Corporation, a California corporation, or the then holder of the FHA-Insured Loan if TRI Capital Corporation is not then such holder.

**"General Contractor"** shall mean Crane Construction Company, Inc., an Illinois corporation.

**"Hazardous Materials"** shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

**"HUD"** shall mean the United States Department of Housing and Urban Development.

**"IHDA"** shall mean the Illinois Housing Development Authority.

**"IHDA Loan"** shall mean the loan made by IHDA, or a financial institution or other entity acceptable to the Commissioner of DOH, for the Project, in the amount and on the terms set forth in Paragraph 4 of Exhibit D hereto.

**"Incremental Taxes"** shall mean such ad valorem taxes which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by Treasurer into the Incremental Taxes Fund.

**"Incremental Taxes Fund"** shall mean the Montclare Redevelopment Project Area Special Tax Allocation Fund created pursuant to the TIF Ordinances.

**"Lender Financing"** shall have the meaning set forth in paragraph F of the Recitals.

**"Lenders"** shall mean the providers of the Lender Financing.

**"MBE(s)"** or minority-owned business enterprise shall mean a business enterprise identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority business enterprise.

**"Other Funds"** shall mean those funds set forth in paragraph B of Exhibit D.

**"Plans and Specifications"** shall mean final construction documents containing a site plan and working drawings and specifications for the Project prepared by Kachoris Altay Architects,

Inc.

"Project" shall have the meaning set forth in Paragraph D of the Recitals.

"Project Budget" shall mean the budget for the Developer Project attached hereto as Exhibit F.

"Project Costs" shall mean all of the costs incurred in connection with the Project.

"Property" shall have the meaning set forth in Paragraph D of the Recitals.

"Regulatory Agreement" shall mean that certain Regulatory Agreement for Multifamily Housing Projects dated as of the date hereof and amendments thereto, if any, entered into between the Developer and HUD with respect to the Property.

"Surplus Cash" shall have the meaning ascribed to it in the Regulatory Agreement.

"Survey" shall mean a plat of an ALTA survey of the Property acceptable in form and content to the City and the Title Company.

"Term of the Agreement" shall mean the term commencing on the date of execution of this Agreement and ending August 29, 2023.

"TIF-Funded Interest Costs" shall mean those costs which (i) are included within the definition of redevelopment project costs in Section 5/11-74.4-3(q) of the Act and are included in the Redevelopment Plan, and (ii) have the meaning set forth in Section 4.02 hereof.

"TIF Ordinances" shall have the meaning set forth in Paragraph C of the Recitals hereto.

"Title Company" shall mean Chicago Title and Trust Company, an Illinois corporation.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, issued by the Title Company.

"WBE(s)" or women's business enterprise shall mean a business enterprise identified in the Directory of Certified Women's Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women's business enterprise.

### SECTION 3. THE PROJECT

3.01 The Project. The Developer shall: (i) commence construction of the Project no later January 2, 2001; and (ii) complete construction of the Project no later than October 31, 2002,

a comparable form containing the same information as AIA Form G-703, and inspection reports; and

(c) upon completion of the Project, an original executed Architect's Completion Certificate in the form attached hereto as Exhibit H-2.

#### SECTION 4. FINANCING FOR THE PROJECT COSTS

4.01 Initial Financing for the Project. The Developer shall pay for all of the Project Costs, except the TIF-Funded Interest Costs, using the proceeds of the Lender Financing and Other Funds.

##### 4.02 Reimbursement for TIF-Funded Interest Costs.

(a) The City hereby agrees to pay or reimburse the Developer from Available Incremental Revenues, if any, for a portion of the interest costs incurred by the Developer that will accrue on (i) the FHA-Insured Loan, (ii) the City Loan, and/or (iii) the IHDA Loan (collectively, the "TIF-Funded Interest Costs") in each year and in the amounts set forth in Exhibit E hereto; provided, however, that in no event shall the amount payable by the City for TIF-Funded Interest Costs exceed the lesser of (x) the maximum amount specified in Section 4.04 or, (y) the lesser of:

(i) 75 percent of the annual interest costs on the Lender Financing incurred by the Developer with regard to the Project during that year, provided that, if there are not sufficient Available Incremental Revenues to make the payment pursuant to this subparagraph, then the amounts so due shall accrue and be payable when Available Incremental Revenues are available; or

(ii) 75 percent of the total (A) cost paid or incurred by the Developer on the Project, plus (B) redevelopment project costs (excluding any property assembly costs and relocation costs) incurred by the City pursuant to the Act.

(b) The amounts payable pursuant to Section 4.02(a) shall be paid by the City in accordance with this Agreement while the Lender Financing remains outstanding and so long as the TIF-Funded Interest Costs, may, under the Act, be legally paid out of Available Incremental Revenues. The amounts payable pursuant to Section 4.02(a) shall be paid annually by the City to the Developer (or as otherwise required by the First Mortgagee or HUD) for distribution to the appropriate parties. The City will pay the Developer for the TIF-Funded Interest Costs for the Project upon submission by the Developer to the DOH of an executed Requisition Form for TIF-Funded Interest Costs in the form attached hereto as Exhibit I. The Requisition Form for TIF-Funded Interest Costs shall be sent to DOH on or after November 1 of each year that payment is requested, and shall set forth the date for payment which shall be not less than 60 days from the date of its receipt by the DOH. The City Comptroller shall pay, to the extent of any Available

Incremental Revenues then available in the Incremental Taxes Fund, the amount requested in the Requisition Form for TIF-Funded Interest Costs within 60 days of its receipt; provided, that the amount so requested shall not exceed the maximum amount payable for such years as shown on Exhibit J attached hereto, plus any portion of such maximum amounts for prior years that has not been paid as a result of insufficient funds. The Developer shall submit to the DOH and the Department of Finance at the addresses specified in Section 17 copies of monthly invoices sent to the Developer by the First Mortgagee and a statement of interest accrued on the City Loan and the IHDA Loan based on the Developer's most recent Financial Statements (or such other substantiating evidence as the City may accept) to evidence the accrual of such amounts for TIF-Funded Interest Costs. Upon the City's request, the Developer will provide any additional supporting documentation. Attached as Exhibit J is a schedule of maximum amounts which may be reimbursed as interest cost incurred by the Developer in accordance with the Redevelopment Plan and the limitations provided in Section 11-74.4-3(q)(11) of the Act.

4.03 Sufficiency of Available Incremental Revenues for TIF-Funded Interest Costs. It is hereby understood and agreed to by the Developer that the City does not make any representations that the amount of the Available Incremental Revenues will be sufficient to pay for or reimburse the Developer for any or all of the TIF-Funded Interest Costs.

4.04 Source of City Funds to Pay TIF-Funded Interest Costs. Subject to Section 18.01 and the other terms and conditions of this Agreement, the City hereby agrees to reserve City Funds from the sources and in the amounts described below to pay TIF-Funded Interest Costs:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes Attributable to the Tax Parcels Comprising the Property	\$4,853,000

The Developer acknowledges and agrees that the City has committed to reserve only the Incremental Taxes attributable to the tax parcels comprising the Property and that the Developer has no right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, the Incremental Taxes attributable to the other tax parcels in the Redevelopment Area. The City acknowledges and agrees that the Developer shall have a first priority claim to the Available Incremental Taxes committed and reserved under this Section 4.04.

## SECTION 5. GENERAL PROVISIONS

5.01 DOH Approval. Any approval granted by DOH pursuant to this Agreement is for the purposes of this Agreement only and does not affect or constitute any approval required by any other department of the City or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

5.02 Other Approvals. Any DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Sections 3.02 and 3.04 hereof.

5.03 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the construction of the Project indicating that partial financing is being provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

5.04 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to the City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all the City requirements governing such connections, including the payment of customary fees and costs related thereto, subject to any fee and/or cost waivers provided to the Developer by the City, if any.

5.05 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City, subject to any fee waivers provided to the Developer by the City, if any.

## SECTION 6. CONDITIONS

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

6.01 Title Policy. On the Closing Date, the Developer shall provide the City with a copy of the Title Policy showing the Developer in the title to each site comprising the Property.

6.02 Survey. The Developer has furnished the City with a Survey of each site comprising the Property prior to the execution of this Agreement.

6.03 Insurance. The Developer, at its own expense, shall insure each site comprising the Property in accordance with Section 13 hereof.

6.04 Opinion of Developer's Counsel. The Developer shall furnish the City with an opinion of counsel upon the execution of this Agreement in the form as may be reasonably required by or acceptable to Corporation Counsel.

## SECTION 7. AGREEMENTS WITH CONTRACTORS

**7.01 City Resident Employment Requirement.** The Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers"), as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the construction of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both skilled and unskilled labor positions.

The Developer and the other Employers may request a reduction or waiver of this minimum percentage level of total worker hours performed by actual residents of the City of Chicago as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Purchasing Agent of the City of Chicago.

"Actual residents of the City of Chicago" shall mean persons domiciled within the City of Chicago. The domicile is an individual's one and only true, fixed and permanent home and principal establishment.

The Developer and the other Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the Project. The Developer and the other Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DOH in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name.

The Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioner of DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the other Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project as evidenced by the (final) Certificate.

At the direction of DOH, affidavits and other supporting documentation will be required of the Developer and the other Employers to verify or clarify an employee's actual address when in doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer and the other Employers to provide

utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Purchasing Agent) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or has failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicago to the degree stipulated in this Section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Project Budget (as the same shall be evidenced by approved contract value for the actual contracts), shall be surrendered by the Developer and/or the other Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to the Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination whether the Developer and the other Employers must surrender damages as provided in this paragraph. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only. In addition, the Developer shall make good faith efforts that all other contracts entered into in connection with the Project for work done, services provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD regulations.

Nothing herein provided shall be construed to be a limitation upon the "Notice of Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

The Developer shall cause or require the provisions of this Section 7.01 to be included in all construction contracts and subcontracts related to the Project.

7.02 Maintaining Records. On a monthly basis until completion of construction of the Project, the Developer shall provide to DOH reports in a form satisfactory to DOH evidencing its compliance with Section 7.01.

7.03 Other Provisions. Photocopies of all contracts or subcontracts entered into by the Developer in connection with the Project shall be made available to DOH upon request. The Developer has the right to delete proprietary information from such contracts or subcontracts, provided, however, that upon DOH's request, the Developer shall make available such

proprietary information for review by any authorized City representative.

## SECTION 8. COMPLETION OF CONSTRUCTION

8.01 Certificate of Completion. Upon completion of the construction of the Project and related redevelopment activities constituting the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DOH shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DOH shall respond to the Developer's written request for a Certificate by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

8.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project and related redevelopment activities constituting the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 9.02 and 9.12 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.14 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

8.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of the Agreement, then the City shall have, but shall not be limited to, any of the following rights and remedies:

(a) subject to the provisions of Section 16.02, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete the Project and to pay for its costs out of City Funds or other City monies. In the event that the aggregate cost of completing the Project

exceeds the amount of City Funds available, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such work in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer.

8.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DOH shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

## **SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER**

The Developer represents, warrants and covenants to the City as follows:

9.01 General. The Developer represents, warrants and covenants that:

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) the Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary partnership action and will not violate its partnership agreement as amended and supplemented, any applicable provision of law, or constitute a material breach of, default under or require any consent under, any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted pursuant to the terms of this Agreement, including Section 18.14 hereof, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property, subject to those matters shown in the Title Policy. The Developer may make application to HUD for a Transfer of Physical Assets in accordance with paragraph R-9 of the HUD-Required Provisions Rider attached hereto;

(e) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, or to the Developer's knowledge, threatened or affecting the Developer which would materially impair its ability to perform under this Agreement;

(f) the Developer shall obtain and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct, complete and operate its business at the Property;

(g) the Developer is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound which would materially affect its ability to perform hereunder;

(h) the Financial Statements when submitted will be, complete and correct in all material respects and will accurately present the assets, liabilities, results of operations and financial condition of the Developer; and

(i) the Developer is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use.

**9.02 Covenant to Redevelop.** The Developer shall redevelop the Property substantially in accordance with the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section 9.02 shall run with the land and be binding upon any transferee of the Property.

**9.03 Redevelopment Plan.** The Developer covenants that the Project shall be in compliance with all of the terms of the Redevelopment Plan.

**9.04 Use of Available Incremental Revenues.** Available Incremental Revenues disbursed to, or on behalf of, the Developer shall be used solely to pay or reimburse the Developer for the TIF-Funded Interest Costs as provided in this Agreement.

**9.05 Arms-Length Transactions.** Unless DOH shall have given its prior written consent with respect thereto, no Affiliate of the Developer may receive any part of the City Funds, directly or indirectly, through reimbursement of the Developer pursuant to Section 4 or otherwise, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Interest Costs. The Developer shall provide information with respect to any entity to receive the City Funds (by reimbursement or otherwise), upon DOH's request, prior to any such disbursement.

**9.06 Conflict of Interest.** The Developer represents and warrants that no member, official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) any interest, direct or indirect, in the Developer's business or the Property.

**9.07 Disclosure of Interest.** The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

9.08 Financial Statements. The Developer shall maintain and provide to DOH its Financial Statements at the earliest practicable date but no later than 120 days following the end of the Developer's fiscal year, each year for the Term of the Agreement.

9.09 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder. The Developer shall immediately notify DOH of any and all events or actions which may materially affect the Developer's ability to perform its obligations under this Agreement.

9.10 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, the Developer shall provide copies of any documentary evidence of compliance of such laws which may exist, such as, by way of illustration and not limitation, permits and licenses.

9.11 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with any Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

9.12 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including but not limited to real estate taxes. The Developer shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer shall have the right to challenge real estate taxes applicable to the Property provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DOH

of the Developer's intent to contest or object to a Governmental Charge and, unless, at DOH's sole option, (i) the Developer shall demonstrate to DOH's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DOH in such form and amounts as DOH shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DOH thereof in writing, at which time DOH may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DOH's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DOH deems advisable. All sums so paid by DOH, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly paid to DOH by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.12(b) below.

(b) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum equalized assessed value of the Property ("Minimum Equalized Assessed Value") anticipated to be necessary to generate Incremental Taxes sufficient to pay the TIF-Funded Interest Costs is shown on Exhibit K attached hereto for the years noted on Exhibit K and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that this Agreement is in effect.

(iii) No Reduction in Equalized Assessed Value. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the equalized assessed value of all or any portion of the Property or the Project below the amount of the Minimum Equalized Assessed

Value as shown in Exhibit K.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either City or by any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project to an amount not greater than the Minimum Equalized Assessed Value.

(c) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.12 are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the date of execution of the Agreement. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferee from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

9.13 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

## SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder, and covenants that: (a) the Incremental Taxes Fund will be established, (b) the Incremental Taxes will be deposited therein, and (c) such funds shall remain available to pay the City's obligations under Sections 4.02 and 4.04 as the same become due, as long as the TIF-Funded Interest Costs continue to be payable from Available Incremental Revenues under the Act. The City agrees not to amend the Redevelopment Plan so as to materially impair its ability to pay in full any amounts due from the City under this Agreement without the written consent of the Developer and the Lenders.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the

Agreement.

## SECTION 11. EMPLOYMENT OPPORTUNITY

The Developer and its successors and assigns hereby agree, and shall contractually obligate its or their contractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of the Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

(b) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(c) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(d) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 11, during the course of construction of the Project, at least the following percentages of the aggregate hard construction costs for the Project shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):

- a. at least 25 percent by MBEs;
- b. at least 5 percent by WBEs.

Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing an MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 11.

The Developer shall deliver quarterly reports to DOH during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DOH in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and DOH shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

Upon the disqualification of any MBE or WBE General Contractor or Subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.

Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 11 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

Prior to the commencement of the Project, the Developer shall be required to meet with the monitoring staff of DOH with regard to the Developer's compliance with its obligations under this Section 11. The General Contractor and all major Subcontractors shall be required to

attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to DOH its plan to achieve its obligations under this Section 11, the sufficiency of which shall be approved by DOH. During the Project, the Developer shall submit the documentation required by this Section 11 to the monitoring staff of DOH. Failure to submit such documentation on a timely basis, or a determination by DOH, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 11, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided hereunder, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payments to, or on behalf of, the Developer, or (3) seek any other remedies against the Developer available at law or in equity.

(e) The Developer will include the foregoing provisions in every contract entered into in connection with the Project and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or Affiliate, as the case may be.

## **SECTION 12. ENVIRONMENTAL MATTERS**

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer (unless directly attributable to the negligent acts and/or omissions of the City): (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of City or Developer or any of its subsidiaries under any Environmental Laws relating to the Property. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

## **SECTION 13. INSURANCE**

The Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of the Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, any contractor or subcontractor:

(a) Prior to Execution and Delivery of this Agreement: At least 10 business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included.

(b) Construction: Prior to the construction of any portion of the Project, the Developer shall procure and maintain, or cause to be maintained, the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be

included.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage.

(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(c) Other Provisions. Upon DOH's request, the Developer shall provide DOH with copies of insurance policies or certificates evidencing the coverage specified above. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

The Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. The Developer

shall require all contractors and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

The Developer agrees, and shall cause its insurers and the insurers of each contractor and subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

The Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

The City maintains the right to modify, delete, alter or change the provisions of this Section 13 upon receipt of HUD's prior written consent and so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 13 beyond that which is reasonably customary at such time.

#### **SECTION 14. INDEMNIFICATION**

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses including, without limitation, reasonable attorneys' fees and court costs, suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay contractors or materialmen in connection with the Project, or (iii) the existence of any material misrepresentation or omission in the Redevelopment Plan or any other document related to this Agreement and executed by the Developer that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons acting under the control or at the request of the Developer or (iv) the Developer's failure to cure its misrepresentation in this Agreement or any other agreement relating thereto within the cure period provided. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

#### **SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT**

15.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, General Contractors' and contractors' sworn statements, general

contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

15.02 Inspection Rights. Any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION 16. DEFAULT AND REMEDIES

16.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 16.03 and 18.16, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any related agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the permitted liens consented to by the City, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within 60 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within 60 days after the commencement thereof;

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for 30 days after such entry without a stay of enforcement or execution;

(h) a change in the Developer's general partner, addition of a general partner or sale or other transfer of all or a controlling interest in the ownership of the general partner without DOH's prior written consent, unless such change is permitted under the HUD-Required Provisions Rider attached hereto; or

(i) a change in the ownership of the Project without DOH's prior written consent, unless such change is permitted under the HUD-Required Provisions Rider attached hereto.

#### 16.02 Remedies.

(a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments, are payable from distributable Surplus Cash only.

(b) Notwithstanding any other provision in this Agreement, the City shall not terminate this Agreement or suspend disbursement of the City Funds upon the occurrence of an Event of Default unless (i) foreclosure proceedings have been commenced under the mortgage securing the FHA-Insured Loan or a deed in lieu of such foreclosure has been executed and delivered or (ii) HUD consents to such termination or suspension of disbursement.

16.03 Curative Period. In the event the Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer shall have failed to perform such covenant within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not reasonably capable of being cured within such 30-day period, if the Developer has commenced to cure the alleged default within such 30-day period and thereafter continues diligently to effect such cure, then said 30-day period shall be extended to 60 days

upon written request from the Developer to the City delivered during such 30-day period, and upon further written request from the Developer to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within 120 days of the date of the Developer's receipt of a written default notice.

16.04 Right to Cure by Lenders. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the Lenders and the Lenders shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

(a) if the Event of Default is a monetary default, the Lenders may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lenders of such notice from the City; and

(b) if the Event of Default is of a non-monetary nature, the Lenders shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lenders of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the Lenders within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the Lenders continue diligently to pursue the cure of such default and, if possession of the Project is necessary to effect such cure, the Lenders have instituted appropriate legal proceedings to obtain possession.

## SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified or facsimile mail, return receipt requested.

If to City:                      City of Chicago  
   Department of Housing  
   318 South Michigan Avenue  
   Chicago, IL 60604  
   Attention: Commissioner  
   cc: Manager of Special Finance

With Copies To:                City of Chicago  
   Department of Law

Finance and Economic Development Division  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

and: City of Chicago  
Department of Finance  
33 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attn: City Comptroller

If to Developer: Montclare Senior Residences Phase I, L.P.  
c/o Philip I. Mappa Interests  
1350 E. Touhy Avenue, Suite 370 W  
Des Plaines, Illinois 60618

and: TRI Capital Corporation  
100 Pine Street, 16th Floor  
San Francisco, California 94111  
Attention: Paul Renno

and: U.S. Department of Housing and Urban Development  
Chicago Regional Office, Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604  
Attn: Director of Multifamily Housing  
HUD Project No: 071-35669

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two business days following deposit in the mail.

## SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto (excluding Exhibits A, C and E) may not be amended without the prior written consent of the City and the Developer. Exhibits A and C may be amended by the City without the Developer's consent, provided any such amendments do not have a material adverse affect on the Developer's rights under this Agreement. Furthermore, without amending this Agreement, the Commissioner of DOH shall have the authority to substitute a revised Exhibit E providing for an increase (but not in excess of \$225,000 for any one year) or decrease in the amount in the Available Incremental

Revenue figure in column on Exhibit E if the Commissioner, after consultation with the Developer, reasonably concludes that such an increase or decrease is necessary or appropriate based on the actual amount of principal and interest costs payable with respect to the "junior" portion of the Mortgage Note (as defined in the HUD-Required Provisions Rider), it being understood that Available Incremental Taxes will only be paid to the Developer in reimbursement of TIF-Funded Interests Costs, but that the amount of Available Incremental Taxes to be paid for such costs is to be based on the actual amount of principal and interest costs payable with respect to such "junior" portion of the Mortgage Note.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing.

18.06 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

18.10 Severability. If any provision in this Agreement, or any paragraph, sentence,

clause, phrase, word or the application thereof, in any circumstance, is held invalid, this Agreement shall be construed as if such invalid part were never included herein and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.12 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City or DOH, or any matter is to be to the City's or DOH's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City or DOH in writing and in its reasonable discretion thereof. The Commissioner of DOH or other person designated by the Mayor of the City shall act for the City or DOH in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. At any time during the term of the Agreement, the Developer may assign this Agreement, with the City's prior written consent, to an entity which acquires the Property pursuant to paragraph R-9 of the HUD-Required Provisions Rider attached hereto or to the Lenders provided that such assignee continues to operate the Property and the Project for the same purpose for which it is currently used and operated. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all terms of this Agreement for the Term of the Agreement, and shall execute an affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City.

18.15 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns. The provisions of this Agreement pertaining to the obligations of the City shall be binding upon the City.

18.16 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity for an abnormal duration, tornadoes or cyclones and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its respective obligations hereunder.

18.17 HUD Rider. The document entitled "HUD-Required Provisions Rider" attached hereto is hereby incorporated into this Agreement as if fully set forth herein and shall remain a part of this Agreement so long as the Secretary of HUD or his/her successors or assigns, are the insurers or holders of the Mortgage note (as defined in the HUD-Required Provisions Rider). Upon such time as HUD is no longer the insurer or holder of the Mortgage Note or such time as the Mortgage Note is paid in full, the parties hereto agree that the HUD-Required Provisions Rider shall no longer be a part of this Agreement.

18.18. No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Loan Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Redevelopment Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Redevelopment Agreement or the transactions contemplated thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

MONTCLARE SENIOR RESIDENCES PHASE I, L.P., an Illinois limited partnership

By: MONTCLARE PARTNERS I, L.P., an Illinois limited partnership, and its sole general partner.

By: MONTCLARE SENIORS CORP., an Illinois corporation, and its sole general partner.

By: \_\_\_\_\_  
Phillip I. Mappa

Its: \_\_\_\_\_

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By: \_\_\_\_\_  
John Markowski, Commissioner

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

MONTCLARE SENIOR RESIDENCES PHASE I, L.P., an Illinois limited partnership

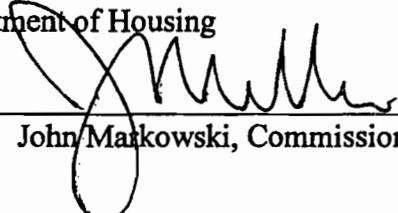
By: MONTCLARE PARTNERS I, L.P., an Illinois limited partnership, and its sole general partner.

By: MONTCLARE SENIORS CORP., an Illinois corporation, and its sole general partner.

By: \_\_\_\_\_  
Phillip I. Mappa

Its: \_\_\_\_\_

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By:  \_\_\_\_\_  
John Markowski, Commissioner

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF COOK )

I, Bennett P. Applegate, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Phillip I. Mappa, personally known to me to be the Pres of Montclare Seniors Corp., an Illinois corporation (the "Corporation") on its own behalf and in its capacity as the general partner of Montclare Partners I, L.P. an Illinois limited partnership, on its own behalf and in its capacity as general partner (the "General Partner") of Montclare Senior Residences Phase I, L.P., an Illinois limited partnership (the "Partnership"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 21 day of Dec, 2000 in person and acknowledged that he signed, sealed, and delivered said instrument, pursuant to the authority given to him by the Board of Directors of the Corporation as its free and voluntary act and as the free and voluntary act of the Corporation, the General Partner and the Partnership for the uses and purposes therein set forth.

Bennett P. Applegate  
Notary Public

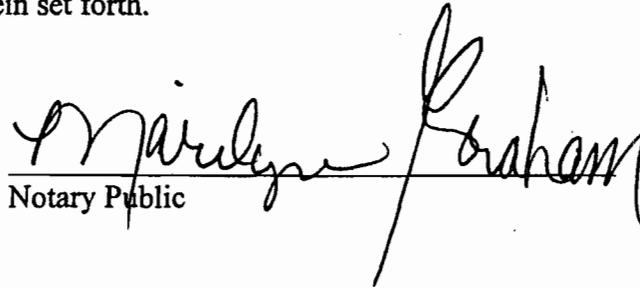
My commission expires

(SEAL)



STATE OF ILLINOIS        )  
                                  ) ss  
COUNTY OF COOK        )

I, MARILYN GRAHAM, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that John Markowski, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 1ST day of December 2000 in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

  
\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

(SEAL)



## HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached to and made a part of that certain Redevelopment Agreement (the "Document"), dated as of ~~December~~ 21, 2000, entered into by Montclare Senior Residences Phase I, L.P., an Illinois limited partnership, its successors and assigns (the "Owner") and the City of Chicago, an Illinois municipal corporation, its successors or assigns (the "Subordinate Lender") relating to the property located at 6650 West Belden Avenue, in the Montclare neighborhood of Chicago, Illinois. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; the term "FHA" shall mean the Federal Housing Administration, an administrative agency within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured Mortgage Note (as defined below) for the Project (Project No. 071-35669):

- A. Commitment for Insurance dated August 11, 2000, as amended, issued by the Secretary of HUD pursuant to Section 221(d)(4) to Developers Mortgage Corporation and later assigned to TRI Capital Corporation, a California corporation ("Mortgagee");
- B. Building Loan Agreement, dated as of December 1, 2000, between the Owner and Mortgagee;
- C. Mortgage Note, dated as of December 1, 2000, made by the Owner payable to the order of Mortgagee in the principal amount of \$10,255,000 ("Mortgage Note")
- D. Mortgage, dated as of December 1, 2000, made by the Owner in favor of Mortgagee and encumbering the Project as security for the Mortgage Note (the "Mortgage");
- E. Security Agreement (Chattel Mortgage), dated as of December 1, 2000, between the Owner, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
- F. UCC-1 and UCC-2 Financing Statements made by the Owner, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party; and
- G. Regulatory Agreement, dated as of December 1, 2000, between the Owner and HUD (the "HUD Regulatory Agreement").

R-1 Notwithstanding anything in the Document to the contrary, the provisions of the

Document are subordinate to all applicable federal statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements, except those HUD mortgage insurance regulations, related HUD directives and administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Document are also expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the Document and the provisions of any applicable federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and HUD/FHA Loan Documents shall control, unless waived in writing by HUD with respect to the Project.

- R-2 Failure on the part of the Owner to comply with the covenants contained in the Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Project.
- R-3 Compliance by the Owner with the provisions and covenants of the Document and enforcement of the provisions or covenants contained in the Document, including, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term is defined in the HUD Regulatory Agreement).
- R-4 No amendment to the Document made after the date of the HUD initial endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.
- R-5 Unless waived in writing by HUD with respect to the Project, any action prohibited or required by HUD pursuant to applicable federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents, shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Document.
- R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Owner shall not and is not permitted to pay any amount required to be paid under the provisions of the Document except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement unless otherwise specifically permitted in writing by HUD.

- R-7 In the event of the appointment by any court of any person, other than HUD or the Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Document (if any), with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Document, except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all provisions of the HUD/FHA Loan Documents.
- R-8 A duplicate of each notice given, whether required or permitted to be given, under the provisions of the Document shall also be given to:

Department of Housing and Urban Development  
77 West Jackson Blvd.  
Chicago, Illinois 60604  
Attention: Director of Multi-Family Housing  
Project No. 071-35669

HUD may designate any further or different addresses for duplicate notices.

- R-9 Notwithstanding anything in the Document to the contrary, the Owner and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof, provided it obtains the prior written consent of HUD to any such sale, conveyance, transfer, lease, sublease or encumbrance. Notwithstanding anything in the Document to the contrary, the Owner may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Owner. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Owner within said time, then any consent by HUD to such transfer shall be deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Document.
- R-10 The covenants contained in the Document shall automatically terminate in the event of a deed in lieu of foreclosure, of any mortgage insured or held by HUD with respect to the Project, or any portion thereof. Upon such termination, the Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.

R-11 Notwithstanding anything in the Document to the contrary, the provisions of this HUD Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

Executed as of the date set forth above.

MONTCLARE SENIOR RESIDENCES PHASE I, L.P., an  
Illinois limited partnership

By: MONTCLARE PARTNERS I, L.P., an Illinois limited  
partnership, and its sole general partner.

By: MONTCLARE SENIORS CORP., an Illinois corporation,  
and its sole general partner.

By: \_\_\_\_\_

Phillip I. Mappa

Its: \_\_\_\_\_

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to  
by the undersigned as of the \_\_\_\_ day of \_\_\_\_\_, 2000.

CITY OF CHICAGO, ILLINOIS, acting by and through its  
Department of Housing

By: \_\_\_\_\_

John Markowski, Commissioner

Executed as of the date set forth above.

MONTCLARE SENIOR RESIDENCES PHASE I, L.P., an Illinois limited partnership

By: MONTCLARE PARTNERS I, L.P., an Illinois limited partnership, and its sole general partner.

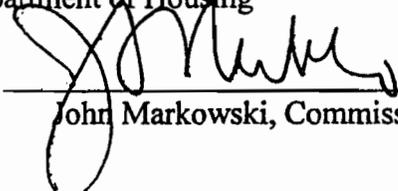
By: MONTCLARE SENIORS CORP., an Illinois corporation, and its sole general partner.

By: \_\_\_\_\_  
Phillip I. Mappa

Its: \_\_\_\_\_

The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to by the undersigned as of the 26<sup>th</sup> day of December, 2000.

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By:  \_\_\_\_\_  
John Markowski, Commissioner

## **EXHIBIT A**

### **REDEVELOPMENT AREA LEGAL DESCRIPTION**

#### **Montclare Redevelopment Project Area**

Lot 2 (except the east 40 feet thereof) and all of lots 4, 5 and 6 (in the West half of the Northeast Quarter of Section 31, Township 40 Range 13) in Owners Division of that part of the East 400 feet of the West of the Northeast of Section 31, Township 40 North, Range 13 East of the Third Principal Meridian, lying Northerly of the Northerly Line of the Right-of-Way of Chicago, Milwaukee and St. Paul Railroad, excepting therefrom streets and that part of the east 50 feet thereof deeded to the Chicago Suburban Railroad.

**EXHIBIT B**

**SITE LEGAL DESCRIPTION**

**Montclare Senior Residences Phase I, L.P.**

**LEGAL DESCRIPTION:**

LOT 2 (EXCEPT THE EAST 40 FEET THEREOF) AND THAT PART OF LOT 4 IN OWNER'S DIVISION OF THAT PART OF THE EAST 400 FEET OF THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF THE NORTHERLY LINE OF THE CHICAGO, MILWAUKEE AND SAINT PAUL RAILROAD, EXCEPTING THEREFROM STREETS AND THAT PART OF THE EAST 50 FEET THEREOF DEEDED TO THE CHICAGO SUBURBAN RAILROAD, ACCORDING TO THE PLAT DATED MARCH 16, 1926 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT NUMBER 9208703, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 2; THENCE SOUTH 89 DEGREES, 19 MINUTES AND 09 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 310.00 FEET TO A POINT 40 FEET WEST OF THE EAST LINE OF SAID LOT 2; THENCE SOUTH 00 DEGREES, 00 MINUTES AND 24 SECONDS EAST ALONG A LINE 40 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOT 2, A DISTANCE OF 150.00 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 89 DEGREES, 19 MINUTES AND 09 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 4.50 FEET TO A POINT; THENCE SOUTH 09 DEGREES, 25 MINUTES AND 37 SECONDS EAST A DISTANCE OF 45.70 FEET TO A POINT; THENCE SOUTH 01 DEGREES, 22 MINUTES AND 33 SECONDS EAST A DISTANCE OF 60.94 FEET TO A POINT; THENCE SOUTH 12 DEGREES, 40 MINUTES AND 46 SECONDS EAST, A DISTANCE OF 29.48 FEET TO A POINT; THENCE SOUTH 00 DEGREES, 01 MINUTES AND 43 SECONDS EAST A DISTANCE OF 131.72 FEET TO A TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTE AND 00 SECONDS WEST A DISTANCE OF 70.00 FEET TO A POINT; THENCE SOUTH 00 DEGREES, 00 MINUTES AND 00 SECONDS EAST A DISTANCE OF 6.25 FEET TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTES AND 00 SECONDS WEST A DISTANCE OF 169.50 FEET TO A POINT; THENCE NORTH 00 DEGREES, 00 MINUTES AND 00 SECONDS WEST A DISTANCE OF 6.25 FEET TO A POINT; THENCE NORTH 90 DEGREES, 00 MINUTES AND 00 SECONDS WEST A DISTANCE OF 90.46 FEET TO A POINT ON THE WEST LINE OF LOTS 1 THROUGH 6, BOTH INCLUSIVE, IN SAID OWNER'S DIVISION; THENCE NORTH 00 DEGREES, 00 MINUTES AND 24 SECONDS WEST ALONG THE WEST LINE OF SAID LOTS, A DISTANCE OF 420.23 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS. CONTAINING 134,999 SQUARE FEET OR 3.099 ACRES.

**COMMON ADDRESS:**

6650 West Belden Avenue, Chicago, Illinois 60635

**PROPERTY INDEX NUMBERS:**

13-31-205-061-0000 and 13-31-205-062-0000

**EXHIBIT C**

**REDEVELOPMENT PLAN**

**OMITTED FOR RECORDING PURPOSES**

## EXHIBIT D

### FINANCING FOR THE PROJECT

#### A. LENDER FINANCING:

1. City of Chicago Multi-Family Housing Revenue Bonds, The Montclare Senior Residences Project), Series 2000A (FHA Insured/GNMA) in an aggregate principal amount of \$10,255,000 (the "FHA-Insured Loan").

The bond proceeds will be used to purchase one or more GNMA securities issued by TRI Capital Corporation or another financial institution or entity acceptable to the City (the "GNMA Issuer"). The GNMA Issuer will make one or more loans in an aggregate principal amount of \$10,255,000 to the Developer, the repayments on which are insured by the Federal Housing Administration and secured by a first mortgage on the Project.

2. City of Chicago Multi-Family Housing Revenue Note (The Montclare Senior Residences Project), Series 2000A in the principal amount of \$1,000,000 (the "City Note").
3. HOME Loan not to exceed \$4,500,000 (the "City Loan").  
Interest: 1 percent per annum  
Term: Maturing no later than January 1, 2043, or when the FHA-Insured Loan is paid.  
Security: Non recourse loan; second mortgage on the Project  
Repayment: No annual or monthly debt payments. Principal is due at maturity. Interest will start accruing after construction completion.
4. Illinois Housing Development Authority loan not to exceed \$750,000 (the "IHDA Loan"), secured by a third mortgage on the Project, maturing no later than January 1, 2043 at an interest rate not to exceed 1 percent per annum.

#### B. OTHER FUNDS:

Approximately \$5,500,379.21 derived from syndication of approximately \$647,209 of Low-Income Housing Tax Credits, a portion of which shall be used to repay the City Note. The general partner of the Developer will also contribute \$105,428.70

## EXHIBIT E

### AVAILABLE INCREMENTAL REVENUES

<u>Year</u>	<u>Available Incremental Revenue*</u>
2000	\$ 211,000
2001	\$ 211,000
2002	\$ 211,000
2003	\$ 211,000
2004	\$ 211,000
2005	\$ 211,000
2006	\$ 211,000
2007	\$ 211,000
2008	\$ 211,000
2009	\$ 211,000
2010	\$ 211,000
2011	\$ 211,000
2012	\$ 211,000
2013	\$ 211,000
2014	\$ 211,000
2015	\$ 211,000
2016	\$ 211,000
2017	\$ 211,000
2018	\$ 211,000
2019	\$ 211,000
2020	\$ 211,000
2021	**\$ 211,000
<b>TOTAL</b>	<b>\$4,853,000</b>

\*Annual amounts are subject to adjustment in accordance with Section 18.01 of the Agreement, subject to the limitation contained therein.

\*\* This final payment may be made only to the extent permitted under the Act. The maximum amount of Incremental Taxes that may be paid to the Developer is \$4,853,000, unless adjustments in accordance with Section 18.01 of the Agreement occur, but in no case shall the maximum amount of Incremental Taxes that may be paid to the Developer exceed \$5,175,000.

**EXHIBIT F**  
**PROJECT BUDGET**

**OWNERS SWORN STATEMENT**

STATE OF ILLINOIS  
 COUNTY OF COOK

ESCROW# \_\_\_\_\_  
 DDH ACCT. # \_\_\_\_\_  
 IHDA ACCT. # \_\_\_\_\_ HTP \_\_\_\_\_  
 DRAW NUMBER 1

THE AFFIANT-MONTCLARE SENIOR RESIDENCES PHASE I, L.P.-BEING DULY SWORN ON OATH DEPOSES AND SAYS THAT HE IS THE OWNER OF THE FOLLOWING DESCRIBED PREMISES IN COOK COUNTY, ILLINOIS TO WIT

- 1) THAT HE IS THOROUGHLY FAMILIAR WITH ALL THE FACTS AND CIRCUMSTANCES CONCERNING THE PREMISES DESCRIBED ABOVE;
- 2) THAT DURING THE SIX MONTHS LAST PAST THE ONLY WORK DONE OR MATERIALS FURNISHED IN CONNECTION WITH THE MENTIONED PREMISES ARE LISTED BELOW;
- 3) THAT THE ONLY CONTRACTS LET FOR THE FURNISHING OF FUTURE WORK OR MATERIALS RELATIVE TO THE CONTEMPLATED IMPROVEMENTS ARE LISTED BELOW;
- 4) THAT THIS STATEMENT IS A TRUE AND COMPLETE STATEMENT OF ALL SUCH CONTRACTS, PREVIOUS IMPROVEMENTS, AND BALANCES DUE, IF ANY.

	1	2	3	4	5	6
	ORIGINAL CONTRACT	ADJUSTMENTS	ADJUSTED TOTAL	PREVIOUSLY PAID	NET AMOUNT DUE	BALANCE TO BECOME DUE
<b>1-GENERAL CONTRACTOR</b>						
<b>CRANE CONSTRUCTION COMPANY, LLC</b>	\$14,060,000.00		\$14,060,000.00		\$120,110.00	\$13,939.89
<b>2-ARCHITECT</b>						
<b>KACHORIS ALTAY ARCHITECTS INC.</b>	\$380,000.00		\$380,000.00		\$380,000.00	
<b>3-ARCHITECT and ENGINEERING (other)</b>						
<b>A-BLUEPRINTING REIMBURSABLES</b>						
<b>KACHORIS ALTAY ARCHITECTS INC.</b>	\$15,000.00		\$15,000.00		\$12,711.59	\$2,288.41
<b>B-CIVIL ENGINEERING</b>						
<b>GEWALT HAMILTON ASSOCIATES, INC.</b>	\$45,000.00		\$45,000.00		\$30,884.85	\$14,115.15
<b>C-KITCHEN ARCHITECT &amp; ENGINEER</b>						
<b>CINLITTLE INTERNATIONAL, INC.</b>	\$17,449.37		\$17,449.37		\$13,449.37	\$4,000.00
<b>D-CONSTRUCTION &amp; SOIL TESTING</b>						
<b>FLOOD TESTING LABORATORIES, INC.</b>	\$15,000.00		\$15,000.00			\$15,000.00
<b>E-LANDSCAPE ARCHITECT</b>						
<b>IVES-RYAN GROUP, INC.</b>	\$10,500.00		\$10,500.00		\$7,878.02	\$2,621.98
<b>F-TRAFFIC ENGINEER</b>						
<b>KENIG LINGREN OHARE AROONA, INC.</b>	\$5,646.45		\$5,646.45		\$5,646.45	
<b>G-ADA CONSULTANT</b>						
<b>UNIVERSAL DESIGNERS &amp; CONSULTANTS, INC.</b>	\$3,500.00		\$3,500.00		\$1,000.00	\$2,500.00

	1	2	3	4	5	6
	ORIGINAL CONTRACT	ADJUSTMENTS	ADJUSTED TOTAL	PREVIOUSLY PAID	NET AMOUNT DUE	BALANCE Y BECOME D
DEVELOPERS MORTGAGE CORPORATION	\$30,785.00		\$30,785.00		\$30,785.00	\$
E-GNMA ISSUER FEE						
YR/CAPITAL	\$25,637.50		\$25,637.50		\$25,637.50	\$
F-FHA FINANCING FEES						
DEVELOPERS MORTGAGE CORPORATION	\$205,100.00		\$205,100.00		\$205,100.00	\$
G-BOND PURCHASE FEE						
BANK OF AMERICA	\$153,825.00		\$153,825.00		\$153,825.00	\$
H-BOND COSTS OF ISSUE						
COUNSEL-ICE MILLER CANADID & RYAN	\$75,000.00		\$75,000.00		\$75,000.00	\$
TRUSTEE-SEAWAY BANK & TRUST	\$2,500.00		\$2,500.00		\$2,500.00	\$
I-TRUSTICITY FEES & INTEREST & BRIDGE FEES						
IHDA-APPLICATION FEE	\$500.00		\$500.00		\$500.00	\$
CITY OF CHICAGO-APPLICATION FEE	\$1,000.00		\$1,000.00		\$1,000.00	\$
BANK OF AMER-INTERIM LOAN LG & BANK FEES	\$3,675.00		\$3,675.00		\$3,675.00	\$
BANK OF AMER-INTERIM LOAN POINTS	\$38,000.00		\$38,000.00		\$38,000.00	\$
BANK OF AMER-INTERIM LOAN FEES	\$247.00		\$247.00		\$247.00	\$
BANK OF AMER-BRIDGE LOAN FEE	\$15,000.00		\$15,000.00		\$15,000.00	\$
J-BOND TRUSTEE FEE DURING CONST.						
SEAWAY NATIONAL BANK	\$3,000.00		\$3,000.00		\$3,000.00	\$
10 INSURANCE-BUILDERS RISK						
NEAR NORTH INSURANCE BROKERAGE	\$15,079.00		\$15,079.00		\$15,079.00	\$
11 INSURANCE-GENERAL LIABILITY & UMBRELLA						
ARTHUR J. GALLAGHER RISK MANAGEMENT SERV.	\$31,921.00		\$31,921.00		\$17,254.00	\$14,667.00
12 INSURANCE RESERVE	\$30,000.00		\$30,000.00		\$0.00	\$30,000.00
13 INTEREST-BRIDGE LOAN						
BANK OF AMERICA	\$99,000.00		\$99,000.00		\$0.00	\$99,000.00
14 INTEREST-CONSTRUCTION PERIOD	\$366,701.71		\$366,701.71		\$0.00	\$366,701.71

	1	2	3	4	5	6
	ORIGINAL CONTRACT	ADJUSTMENTS	ADJUSTED TOTAL	PREVIOUSLY PAID	NET AMOUNT DUE	BALANCE TO BECOME DUE
<b>H-PARTNERSHIP LEGAL &amp; ORG.</b>						
PITLER & MANDELL	\$25,800.00		\$25,800.00		\$15,764.42	\$10,035.58
ILL. SECRETARY OF STATE	\$200.00		\$200.00		\$200.00	\$0.00
<b>L-BORROWER TAX OPINION</b>						
APPLEGATE & THORNE-THOMPSEN, P.C.	\$10,000.00		\$10,000.00		\$10,000.00	\$0.00
<b>J-INVESTORS COUNSEL</b>						
APOLLO HOUSING CAPITAL	\$15,000.00		\$15,000.00		\$15,000.00	\$0.00
<b>K-BORROWERS ACCOUNTING &amp; DUE DILIGENCE</b>						
FRIEDSS, LUKEE & SCHIFF & CO., P.C.	\$10,000.00		\$10,000.00		\$3,812.50	\$6,187.50
<b>19 OFFSITE IMPROVEMENTS</b>						
MB PROPERTIES, LLC	\$278,000.00		\$278,000.00		\$278,000.00	\$0.00
<b>20 OPERATING DEFICIT RESERVE</b>						
	\$224,599.23		\$224,599.23		\$0.00	\$224,599.23
<b>21 PERMANENT DEBT SERVICE RESERVE/EHA 2% RES.</b>						
	\$205,100.00		\$205,100.00		\$0.00	\$205,100.00
<b>22 PROFESSIONAL FEES</b>						
<b>A-LENDER APPRAISAL</b>						
JAMES O. HAMILTON & COMPANY, INC.	\$7,500.00		\$7,500.00		\$7,500.00	\$0.00
<b>B-MARKET STUDY</b>						
STRATEGY PLANNING ASSOCIATES	\$2,500.00		\$2,500.00		\$2,500.00	\$0.00
TRACY CROSS & ASSOCIATES, INC.	\$4,270.76		\$4,270.76		\$523.17	\$3,747.59
VALERIE S. KRETCHMER ASSOCIATES, INC.	\$11,252.41		\$11,252.41		\$0.00	\$11,252.41
<b>C-ENVIRONMENTAL REPORTS</b>						
HUFF & HUFF, INC.	\$3,302.33		\$3,302.33		\$3,302.33	\$0.00
SCHBACK ENVIRONMENTAL CONSULTING, INC.	\$9,800.00		\$9,800.00		\$9,800.00	\$0.00
<b>D-SOILS ENGINEER</b>						
LOUIS K. WALTER, JR. & ASSOCIATES, INC.	\$4,820.00		\$4,820.00		\$4,820.00	\$0.00
<b>E-SURVEYS</b>						
JAMES SCHAEFFER & SCHIMMING, INC.	\$26,718.00		\$26,718.00		\$22,718.00	\$4,000.00
<b>F-TIF CONSULTANT</b>						

	1	2	3	4	5	6
	ORIGINAL CONTRACT	ADJUSTMENTS	ADJUSTED TOTAL	PREVIOUSLY PAID	NET AMOUNT DUE	BALANCE BECOME DUE

MONTCLARE SENIOR RESIDENCES PHASE I, L.P., AN ILLINOIS LIMITED PARTNEF

BY: MONTCLARE PARTNERS I, L.P., AN ILLINOIS LIMITED PARTNERSHIP AND SOLE GENERAL PARTNER OF MONTCLARE SENIOR RESIDENCES PHASE I, L.P.

BY: MONTCLARE SENIOR CORP., AN ILLINOIS CORPORATION AND SOLE GENERAL PARTNER OF MONTCLARE PARTNERS I, L.P.

*[Handwritten Signature]*

BY: \_\_\_\_\_

NAME: Philip I. Mappa

ITS: President

DATE: 12/21/00

SUBSCRIBED AND SWORN TO BEFORE ME THIS 21st DAY OF Dec, 2000

NOTARY PUBLIC Bennett P. Applegate

OFFICIAL SEAL  
Bennett P. Applegate  
Notary Public, State of Illinois  
My Commission Expires Feb. 4, 2003



6. That attached as Exhibit 1 are true and correct copies of monthly invoices for the FHA-Insured Loan sent to the Developer by the First Mortgagee;

7. That attached as Exhibit 2 is a true and correct statement of interest accrued to date on the City Loan and the IHDA Loan based on the Developer's most recent Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**MONTCLARE SENIOR RESIDENCES PHASE I, L.P., an Illinois limited partnership**

**By: MONTCLARE PARTNERS I, L.P., an Illinois limited partnership, and its sole general partner.**

**By: MONTCLARE SENIORS CORP., an Illinois corporation, and its sole general partner.**

By: \_\_\_\_\_  
Phillip I. Mappa

**EXHIBIT J**

**SCHEDULE OF MAXIMUM AMOUNT OF TIF-FUNDED INTEREST COSTS**

R001254

**SCHEDULE OF MAXIMUM INTEREST REIMBURSEMENT**

			INTEREST ACCRUALS		TOTAL INTEREST	75% OF TOTAL INTEREST	INTEREST SUBSIDY (6) (7)
			PMC / FHA	DOH /HDA			
CONSTRUCTION START		01/01/01					
CONSTRUCTION COMPLETION		12/31/01	255,338 (2)	28,260 (3)(4)	281,588	211,191	211,000
CUT-OFF DATE (1)		02/28/02					
INTEREST ON ADDITIONAL \$1,000,000 OF BONDS	01/01/01	06/30/02			99,000	74,250	
INTEREST ONLY	01/01/02 thru	03/31/02	146,878	13,125	160,003	120,002	52,750
INTEREST DURING AMORTIZATION (5)	04/01/02 thru	12/31/02	470,014	39,375	509,389	382,042	158,250
	01/01/03 thru	12/31/03	621,399	48,750	670,149	502,612	211,000
	01/01/04 thru	12/31/04	615,009	45,000	660,009	495,007	211,000
	01/01/05 thru	12/31/05	608,216	45,000	653,216	489,912	211,000
	01/01/06 thru	12/31/06	600,995	45,000	645,995	484,498	211,000
	01/01/07 thru	12/31/07	593,319	45,000	638,319	478,739	211,000
	01/01/08 thru	12/31/08	585,158	45,000	630,158	472,618	211,000
	01/01/09 thru	12/31/09	576,483	45,000	621,483	466,112	211,000
	01/01/10 thru	12/31/10	567,261	45,000	612,261	459,196	211,000
	01/01/11 thru	12/31/11	557,457	45,000	602,457	451,843	211,000
	01/01/12 thru	12/31/12	547,038	45,000	592,038	444,027	211,000
	01/01/13 thru	12/31/13	535,957	45,000	580,957	435,718	211,000
	01/01/14 thru	12/31/14	524,179	45,000	569,179	426,885	211,000
	01/01/15 thru	12/31/15	511,660	45,000	556,660	417,495	211,000
	01/01/16 thru	12/31/16	498,350	45,000	543,350	407,513	211,000
	01/01/17 thru	12/31/17	484,202	45,000	529,202	396,901	211,000
	01/01/18 thru	12/31/18	469,161	45,000	514,161	385,621	211,000
	01/01/19 thru	12/31/19	453,172	45,000	498,172	373,629	211,000
	01/01/20 thru	12/31/20	436,175	45,000	481,175	360,891	211,000
	01/01/21 thru	12/31/21	418,106	45,000	463,106	347,330	211,000
	01/01/22 thru	12/31/22	398,898	45,000	443,898	332,924	211,000
	01/01/23 thru	12/31/23	378,479	45,000	423,479	317,809	211,000
		<b>TOTALS</b>	<b>11,852,903</b>	<b>1,027,500</b>	<b>12,979,403</b>	<b>9,734,552</b>	<b>4,853,000</b>

(1) Assume fully disbursed

(2) Amount of Net Interest at 6.13%

(3) DOH loan assumed evenly disbursed over 12 months. DOH continues to accrue interest until maturity

(4) HDA loan assumed evenly disbursed over 12 months. HDA loan accrues interest during construction plus 18 months, then is interest only until maturity

(5) The first requisition would include interest incurred during construction

(6) Annual subsidy amounts may accrue as provided in Section 4.02(a)(f)

(7) Per ordinance the maximum total subsidy may not exceed: \$4,853,000

**EXHIBIT K**

**MINIMUM EQUALIZED ASSESSED VALUE**

8001255

MONTCLARE TIF

MONTCLARE SENIOR RESIDENCES (MONTCLARE TIF)

EXHIBIT   K  

YEAR	MINIMUM ASSESSED VALUE	ESTIMATED MULTIPLIER	MINIMUM EQUALIZED ASS. VALUE	BASE EAV	TAX RATE	TAXES PAID	INCREMENTAL TAXES REC'D.
2001	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2002	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2003	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2004	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2005	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2006	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2007	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2008	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2009	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2010	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2011	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2012	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2013	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2014	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2015	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2016	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2017	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2018	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2019	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2020	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000
2021	\$1,450,635	2.2505	\$3,264,654	\$792,770	8.536%	\$278,671	\$211,000

TOTAL

\$4,431,000

APPROVAL OF TAX INCREMENT REDEVELOPMENT PLAN  
FOR MONTCLARE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, August 30, 2000

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance approving the tax increment redevelopment plan for the Montclare Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman*

*On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was Passed by yeas and nays as follows:*

Yeas-- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Levar, Schulter, M. Smith, Moore, Stone -- 47.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost

The following is said ordinance as passed:

8001256

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/ 11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Montolare Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, The Community Development Commission (the "Commission") of the City has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2- 124 of the City's Municipal Code) pursuant to Section 5/11-74.4-4(k) of the Act; and

WHEREAS, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Act, including the holding of certain public hearings required by the Act; and

WHEREAS, By authority of the Corporate Authorities in accordance with Section 5/ 11-74.4-4.2 of the Act and pursuant to Section 5/11-74.4-5(a) of the Act, the City's Department of Planning and Development established an interested parties registry and, on May 10, 2000, published in the Chicago Sun-Times a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

WHEREAS, Pursuant to Sections 5/ 1 1-74.4-4 and 5/ 1 1-74.4-5 of the Act, the Commission, by authority of the Corporate Authorities, called a public hearing (the "Hearing") on June 13, 2000, concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act; and

WHEREAS, The Plan (including the related eligibility report (the "Report") attached thereto as an exhibit) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act beginning on April 25, 2000, prior to the adoption by the Commission of Resolution OO-CDC-64 on April 25, 2000, fixing the time and place for the Hearing, at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Pursuant to Section 5/ 11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related Report attached thereto as an exhibit) and of how to obtain the same was sent by mail on May 1, 2000 which is within a reasonable time after the adoption by the Commission of Resolution OO-CDC-64, to: (i) persons who reside in the zip code area(s) contained in whole or in part in the proposed Area

and are registered interested parties for such Area, and (ii) organizations that operate in the City that are registered interested parties for such Area; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having taxable property within the Area and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on April 28, 2000, by publication in the *Chicago Sun-Times* on May 15, 2000 and May 22, 2000, and by certified mail to taxpayers within the Area on May 22, 2000; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on May 12, 2000, to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution OO-CDC-78, attached hereto as Exhibit B, adopted on June 13, 2000, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, After the Hearing, certain changes were made to the Plan (which changes are reflected in the Plan attached hereto as Exhibit A), pursuant to Section 5/11-74.4-5(a) of the Act, notice of such changes was given by mail to each affected taxing district within the Area, and by publication in the *Chicago Sun-Times* prior to the adoption of this ordinance; and

WHEREAS, The Corporate Authorities have reviewed the Plan (including the related eligibility Report), testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (*as near as practicable*) for the Area is described in Exhibit D attached hereto and incorporated herein. The map

of the Area is depicted on Exhibit E attached hereto and incorporated herein,

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.403(n) of the Act:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission; and

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 5/11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years.

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

SECTION 5. Powers Of Eminent Domain. In compliance with Section 5/11-74.4-4(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

SECTION 6. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 7. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed  
on page 39462 of this Journal.]

Exhibits "A", "B", "C" and "D" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

City Of Chicago

*Montclare Redevelopment Project Area*

*Tax Increment Finance Program*

*Redevelopment Plan And Project.*

I.

*Introduction.*

Louik/Schneider & Associates, Inc. has been retained by the Montclare Senior Residences Limited Partnership to develop a Redevelopment Plan and Project of the proposed redevelopment area known as Montclare, Chicago, Illinois Area (the "Redevelopment Project Area"). The Redevelopment Project Area is located in the City of Chicago ("City"), approximately eight (8) miles from the central business district in the Montclare community area.

The Redevelopment Project Area is well suited to senior residential development. It is surrounded by residential and institutional uses to the west. The major access to the Redevelopment Project Area is provided by Oak Park Avenue to the west and Grand and Fullerton Avenues to the north.

The purpose of the Montclare Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Plan") is to create a mechanism to allow for the planning and financing of a senior residential development.

This Plan summarizes the analyses and findings of the consultants work, which, unless otherwise noted, is the responsibility of Louik/Schneider & Associates, Inc.. The City of Chicago is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a Redevelopment Project Area under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/1-74.4-1, et seq., as amended (the "Act"). Louik/Schneider & Associates, Inc. has prepared this Plan and the related eligibility study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information so that the Plan and the related Eligibility Study will comply with the Act.

## II.

### *Redevelopment Project Area And Legal Description.*

The Redevelopment Project Area is located in the City, approximately eight (8) miles west of the central business district within the Montclare community area. The Montclare community area is generally bounded by Belmont Avenue on the north, the railroad tracks south of the site on the south, Harlem Avenue on the west and the railroad tracks east of the site on the east. It is one of the smallest community areas in the City. The City limits are located less than one-half (1/2) mile west of the Redevelopment Project Area.

The Redevelopment Project Area is eleven and thirty-seven hundredths (11.37) acres and is bounded by a parcel line (approximately five hundred seventy-five (575) feet south of Grand Avenue) on the north, the Chicago, Milwaukee, St. Paul and Pacific Railroad rights-of-way on the south and east, and the alley east of Normandy Avenue on the west. The boundaries of the Redevelopment Project Area are shown on Map 1, Boundary Map, and the existing land uses are identified on Redevelopment Plan Map 2. The legal description of the Redevelopment Project Area

boundaries was prepared by James, Schaeffer & Schimming, Inc. and is attached to this Plan as (Sub)Exhibit 1 -- Legal Description.

Arterial access to the Redevelopment Project Area is via Oak Park Avenue (running north/south) to the west and Grand/Fullerton Avenues (running east/west) to the north. Oak Park Avenue connects the property to the nearby suburb of Oak Park (less than one mile to the south) and to other Chicago neighborhoods on the far northwest side of the City. Grand Avenue and Fullerton Avenue run together for a short distance near the subject property, but split east of Narragansett Avenue. Fullerton Avenue (2400 north) runs due east to Lake Michigan. Grand Avenue runs diagonally southeast, providing access to central business district.

The property is within a short walk of the Mars station on the Metra Milwaukee District West suburban commuter rail line that runs between Elgin and downtown Chicago. However, service at this stop is less frequent than at the Montclare station (the next stop further west, between Oak Park Avenue and Harlem Avenue) or the Galewood station to the east.

Convenient eastbound Chicago Transit Authority bus service is available on both the Number 65 Grand and Number 74 Fullerton routes. Another C.T.A. bus line runs north and south on Narragansett (Number 86), but reaching this line requires crossing the railroad track at Fullerton Avenue. For residents traveling south or west, the site's proximity to the City limits requires a transfer to the suburban PACE bus system at Harlem Avenue (less than one (1) mile to the west) or North Avenue (less than one (1) mile to the south of the subject).

#### A. Existing Conditions.

The Redevelopment Project Area currently contains vacant industrial land. The majority of the land contains debris and fill leftover from the demolition of the buildings that were on the site.

Part of the land is used by a nearby automobile dealership as an off-site surface parking lot for vehicles. Prior to 1986, there were four (4) structures that covered approximately eighty percent (80%) of the site.

The overall appearance of the Redevelopment Project Area relates to the obsolescence of the area. Part of this problem stems from neglect of the property within the Redevelopment Project Area which has not received the necessary investment to improve the existing conditions. Improvements are needed throughout the Redevelopment Project Area. While the Redevelopment Project Area has certain location assets, the overall redevelopment of the area has been nonexistent. Much of the Redevelopment Project Area is characterized by land that

has been vacant and underutilized for the past fourteen (14) years

Adjacent properties are fully developed with a mix of residential, institutional and industrial uses. To the west of the Redevelopment Project Area are well-maintained bungalows, two-story homes and small walk-up apartment buildings. Directly north of the Redevelopment Project Area is Davies Supply Company. An alley behind homes on the east side of Normandy Avenue borders the subject property. Many of the homes have detached garages with entrances off the alley.

Across Normandy Avenue to the west of the Redevelopment Project Area is the Shriners Children's Hospital complex. Immediately south of the hospital are railroad commuter and freight services. A Site and Market Study of the Montclare Senior Residences prepared by Valerie S. Kretchmer Associates, Inc. in April of 1999 identified that seventy-three (73) Metra and six (6) freight trains used the railroad tracks on a daily basis.

Beyond the railroad track to the south, the M & M Mars candy company facility office and factory space is located. Immediately to the east of the Redevelopment Project Area is a rail line with commercial and industrial companies adjacent to it. The companies include the Radio Flyer Company factory at the southwest corner of Grand Avenue and Narragansett Avenue, Jefferson Ice Company, Illinois Gear, Carrera Marble and Mosaics, and Maaco Auto Painting.

## B. Area History

The Redevelopment Project Area was previously the home of the Revere Brass Works and contained four (4) structures. The Revere Brass Works company sold the property in 1980. The buildings remained unoccupied until the structures were demolished in 1986 by the property owner at that time. The site has remained relatively the same since the structures were demolished.

In February, 1981, the City's Commercial Development Commission documented the condition of the Redevelopment Project Area in the Belden-Normandy Designation Report ("Designation Report"). The entire Redevelopment Project Area was designated as a Blighted Commercial Area under former Chapter 15.1 of the Municipal Code of Chicago ("Code"). At that time, the Code defined a Blighted Commercial and/or Industrial Area as:

any area of not less in the aggregate than two (2) acres located within the territorial limits of the City of Chicago, where seventy-five percent (75%) of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light or sanitary facilities, inadequate utilities, excessive land

coverage, deleterious land-use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, *morals*, welfare and economic stability.

The Designation Report concluded that each of the four (4) structures were one hundred percent (100%) deteriorated. The Designation Report stated that "there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land-use and obsolescence in design". The report concluded that because of the deteriorating structures and the presence of the blighting conditions that "optimum economic efficiency of a modern industry is not capable of being achieved under the structures' present conditions".

#### C. Population And Market Area Characteristics.

A Site and Market Study was prepared by Valerie S. Krechmer Associates, Inc. ("V.S.K.A.") in April of 1999 on behalf of the Montclare Senior Residences Limited Partnerships. The population and market area characteristics were identified as follows:

##### Surrounding Commercial Community.

On the north side of Grand Avenue/Fullerton Avenue west of Narragansett Avenue is Bricktown Square, a three hundred thousand (300,000) square foot community center with a small supermarket (Delray Farms). Other well-known retailers in Bricktown Square include Sportmart, Kids R Us, Toys R Us, Marshalls, Frank's Nursery and Crafts, Factory Card Outlet and Pier 1. Services include a Cineplex Odeon multi-screen cinema and Burger King.

To the west of Bricktown Square (on the north side of Grand Avenue/Fullerton Avenue at Normandy Avenue) are a freestanding Home Depot and an Applebee restaurant. Hoyne Savings Bank has a branch on Grand Avenue that is convenient to the proposed building. A new Walgreen's drug store is located to the west, at Grand Avenue at Oak Park Avenue. On the south side of Grand Avenue east of Normandy Avenue is a PetsMart store. Further west is a Pep Boys auto repair and parts store. Other auto-related uses along Grand Avenue include two (2) car dealerships (Jacobs Twin Buick and a Honda dealership).

Just north of Bricktown Square is the Brickyard regional mall, anchored by a recently renovated J.C. Penney outlet store, Montgomery Ward, Kmart, a ninety thousand (90,000) square foot Jewel/Osco supermarket and drug store, a food court, and numerous smaller stores. In total, there is well over one million

(1,000,000) square feet of retail space in the area between Diversey Avenue and Fullerton Avenue/Grand Avenue west of Narragansett Avenue.

A wide range of stores, services and restaurants can also be found along Harlem Avenue from Grand/Fullerton Avenues north to the Kennedy Expressway. Circuit City operates an electronics store at the northwest corner of Harlem and Grand Avenues. A freestanding Sears department store is at the corner of Harlem Avenue and North Avenue, along with nearby convenience stores and service businesses. Other neighborhood shopping areas can be found in the eastern portions of the trade area along Fullerton and Belmont Avenues.

Oak Park offers additional shopping choices within three (3) to four (4) miles of the subject area. At Oak Park Avenue and Lake Street is a neighborhood business district with numerous restaurants and shops. Further west along Lake Street are the stores and services of downtown Oak Park and River Forest.

#### Population Characteristics.

Since the Redevelopment Project Area is at the far southeast section of the Montclare community area, the neighborhood characteristics of the Belmont/Cragin community area directly to the east were also analyzed. The Belmont/Cragin community area has the same north/south boundaries as the Montclare community area, but extends as far east as the railroad tracks east of Cicero Avenue.

As of 1995, the City estimates the Montclare community area population to be ten thousand nine hundred fifty-six (10,956), a three and six-tenths percent (3.6%) increase from the 1990 Census. This is a reversal of the population decrease experienced during the 1980s. The Belmont/Cragin community area had an estimated 1995 population of sixty-two thousand nine hundred sixteen (62,916), a ten and eight-tenths percent (10.8%) increase since 1990. In comparison, the City estimated that the Belmont/Cragin community area's 1995 population was one and three-tenths percent (1.3%) higher than the 1990 Census. In 1990, the Montclare community area had four thousand forty-four (4,044) households with an average household size of two and fifty-nine hundredths (2.59). This compares to twenty thousand one hundred fifty-seven (20,157) households in the Belmont/Cragin community area, which also had a larger average household size of two and seventy-eight hundredths (2.78) persons. In comparison, the average household size for the City was two and sixty-seven hundredths (2.67) persons.

The Montclare community area has a significant elderly population. In 1990, twenty-one and two-tenths percent (21.2%) of the Montclare residents were sixty

five (65) or older (two thousand two hundred forty-one (2,241) people) and another ten and one-tenth percent (10.1%) (one thousand sixty-nine (1,069) people) were between fifty-five (55) and sixty-four (64) years. In Belmont/Cragin, fifteen and five-tenths percent (15.5%) of the population was sixty-five (65) or older (eight thousand eight hundred twenty-seven (8,827)), with another eight and seven-tenths percent (8.7%) between fifty-five (55) and sixty-four (64) years (four thousand nine hundred thirty (4,930)). These are far higher ratios than for the City overall, where eleven and nine-tenths percent (11.9%) of the population was over sixty-five (65) and another eight and one-tenth percent (8.1%) was between fifty-five (55) and sixty-four (64) years in 1990.

#### Demographics Characteristics,

The market area has an estimated 1998 population of one hundred eighty-three thousand two hundred sixty-six (183,266), of which forty-seven thousand four hundred seventy-two (47,472) (twenty-six percent (26%)) are age fifty-five (55) or older and fourteen thousand six hundred twenty-six (14,626) (eight percent (8%)) are women age seventy (70) and above. In the City of Chicago as a whole, the fifty-five (55) plus population is a much lower share of the total, just nineteen percent (19%).

Overall, the market area population is estimated to be sixty-one percent (61%) non-Hispanic white, nineteen percent (19%) Hispanic, seventeen percent (17%) African-American, and three percent (3%) Asian and others. Median household income is estimated by Claritas, Inc. at Forty-one Thousand Eight Hundred Nineteen Dollars (\$41,819).

Aside from Oak Park, communities wholly or partially in the market area have very few affordable senior housing developments despite a large *population age* fifty-five (55) and older.

#### D. Adjacent Tax Increment Financing Districts.

The Redevelopment Project Area lies adjacent on the west and south to the existing Galewood/Armitage Redevelopment Project Area Tax Increment Financing District which was designated in 1999.

The adjacent tax increment financing district has exhibited the presence of blighting characteristics for designation as a blighted area. The blighting conditions have contributed to existing conditions in, and the lack of development of, the Redevelopment Project Area.

#### E. Tax Increment Allocation Redevelopment Act

An analysis of conditions within this area indicates that it is appropriate for designation as a Redevelopment Project Area under the Act. The Redevelopment Project Area is characterized by conditions which warrant its designation as a "Vacant Blighted Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project", to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment. This increase in tax revenues is used to pay for upfront costs that are required to stimulate private investment in new redevelopment and rehabilitation or to reimburse private developers for eligible costs incurred in connection with any redevelopment. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues that are generated within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed valuation ("E.A.V.") or the Certified Base E.A.V. for all taxable real estate located within the Redevelopment Project Area and the current year E.A.V.. The E.A.V. is the assessed value of the property multiplied by the state multiplier. Any increase in E.A.V. is then multiplied by the current tax rate, which determines the incremental real property tax.

This Plan has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see (Sub)Exhibit 3 -- Montclare Tax Increment Finance Program Eligibility Study). After approval of the Plan, the City Council may then formally designate the Redevelopment Project Area.

The purpose of this Plan is to ensure that new development occurs:

1. on a coordinated rather than a piecemeal basis to ensure that the land-use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;
2. on a reasonable, comprehensive and integrated basis to ensure that Vacant Blighted Area factors are eliminated; and

3. within a reasonable and defined time period,

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

Regardless of when the Plan is adopted, it will include land uses that have already been approved by the Chicago Plan Commission.

There has been no major private investment in the Redevelopment Project Area for at least the last five (5) years. The adoption of the Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Plan. Public investments will create the appropriate environment to attract the level of private investment required for rebuilding the Redevelopment Project Area.

Successful implementation of the Plan requires that the City take advantage of the real estate tax increment revenues attributed to the Redevelopment Project Area as provided in accordance with the Act.

### III.

#### *Redevelopment Project Area Goals And Objectives.*

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. In order to rehabilitate the Redevelopment Project Area in a planned manner, the establishment of goals is necessary. Many of them can be achieved through the effective use of local, state and federal mechanisms. These goals and objectives generally reflect existing City policies affecting all or portions of the Redevelopment Project Area. The following goals are meant to guide the development and/or the review of all future projects that will be undertaken in the Redevelopment Project Area.

#### General Goals.

1. Create new senior residential housing in the Redevelopment Project Area to serve the surrounding community.
2. Create an environment within the Redevelopment Project Area that will contribute to the health, safety and general welfare of the City.
3. Strengthen the economic well-being of the Redevelopment Project Area and the City by enhancing the value of properties and the local tax base.
4. Encourage the participation of minorities and women in the redevelopment process of the Redevelopment Project Area.
5. Create construction job opportunities in the Redevelopment Project Area.

#### Objectives

1. Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Vacant Blighted Area.
2. Facilitate the development of vacant land and the redevelopment of underutilized properties for a senior residential complex.

#### IV.

##### *Vacant Blighted Area Conditions Existing In The Redevelopment Project Area.*

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area (vacant or improved), a Conservation Area (or a combination of the two (2)), or an Industrial Park Conservation Area.

As set forth in the Act, a "Blighted Area" means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where if vacant, the sound growth of the Redevelopment Project Area is impaired by one (1) of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may

reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

1. The area consists of one (1) or more unused quarries, mines or strip mine ponds.
2. The area consists of unused rail yards, rail tracks or railroad rights-of-way.
3. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.
5. Prior to November 1, 1999, the area is not less than fifty (50) nor more than one hundred (100) acres and seventy-five percent (75%) of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area), and the area meets at least one (1) of the eligibility factors required for a finding of blight in an improved area, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc., the Redevelopment Project Area qualifies as a Vacant Blighted Area as defined by the Act.

A separate report, entitled "City of Chicago Montclare Tax Increment Finance Program Eligibility Study" dated April 2000 ("Eligibility Study"), is attached as (Sub)Exhibit 3 to this Plan and describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as a Vacant Blighted Area.

The Redevelopment Project Area is characterized by the presence of the Vacant Blighted Area eligibility factors in addition to age as listed in the Act. Summarized below are the findings of the Eligibility Report.

#### A. Summary Of Eligibility Factors.

The Redevelopment Project Area (also referred to as the "Study Area" in the Eligibility Study) consists of two (2) parcels and part of an alley and street right-of-way. A finding may be made that the Redevelopment Project Area is a Vacant Blighted Area based on the fact it exhibits the presence of one (1) or more of the eligibility factors described above in Section III. The Redevelopment Project Area meets the following eligibility factors:

1. The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation or dredge sites.

#### Conclusion.

The majority of the Redevelopment Project Area contains building debris and foundation materials remaining from the demolition of the structures in 1986. The presence of this eligibility factor was documented by field surveys by Louik/Schneider & Associates, Inc. and an environmental study conducted by Huff and Huff, Inc.

In February of 1995, Huff and Huff, Inc., an environmental engineering firm, conducted a subsurface investigation which included a ERG Phase I Environmental Site Assessment which was prepared by James E. Huff, P.E. and Joseph A. Kissnage, P.G. to establish the site geology and determine the potential for ground water contamination. On December 20, 1994, site inspections were conducted by Huff and Huff, Inc. which consisted of a walk-through inspection and collection of readings with a photoionization detector (P.I.D. ). The investigation included as part of the report a description of the current condition of the land as follows:

The site is generally flat with less than five (5) feet in total relief over the entire eleven (11) acres. Most of the relief on the site is related to piles of construction debris or fill remaining from the demolition of the Revere Brass facility. Based on the walk-through survey and drilling, nearly all of the site is underlain by the concrete remains of the Revere Brass Works. This concrete is relatively level, nearly continuous, and includes former floors, wall footings and foundations.

Field surveys conducted in February of 2000 by Louik/Schneider & Associates, Inc. indicated that the condition of land in the Redevelopment Project Area was consistent with the investigation report of five (5) years earlier. The site has remained unchanged since the completion of the environmental assessment.

2. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

#### Conclusion

The Redevelopment Project Area, prior to becoming vacant land, had been utilized by the Revere Brass Works company. Revere Brass Works was located in four (4) buildings at this site (6650 West Belden Avenue) until 1978. The buildings remained vacant for six (6) years until they were demolished. The conditions of the former Revere buildings prior to their demolition were established through the following:

- Signed Affidavits from the previous property/building owner.
- Designation of the Redevelopment Project Area as a Blighted Commercial Area by the City's Commercial District Development Commission.

#### Signed Affidavits.

An Affidavit to the condition of the buildings prior to the demolition was obtained from the owner of the property at that time. The affidavit outlines the conditions of the building as exhibiting the following characteristics of age, dilapidation, obsolescence, deterioration, excessive vacancies and depreciation of physical maintenance.

#### Belden/Normandy Blighted Commercial District Report

In February of 1981, the Redevelopment Project Area was designated as a Belden/Normandy Blighted Commercial District Report ("Designation Report") under former Chapter 15.1 of the Municipal Code of Chicago ("Code"). The Code defines a Blighted Commercial and/or Industrial Area as "any area of not less in the aggregate than two (2) acres located within the territorial limits of the City of Chicago, where seventy-five percent (75%) of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light, sanitary facilities, inadequate

utilities, excessive land coverage, deleterious land-use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, morals, welfare and economic stability. The findings of the Designation Report were that "the Belden/ Normandy Area shows that there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land-use and obsolescence in design". The Designation Report further states that the "optimum economic efficiency of a modern industry is not capable of being achieved under the structures' present conditions".

#### B. Eligibility Findings Conclusion

The number, degree and distribution of factors as documented in the Eligibility Study attached hereto as (Sub)Exhibit 3 is a report warranting the designation of the Redevelopment Project Area as a Vacant Blighted Area as set forth in this Act. Specifically:

- Of the seven (7) factors set forth in the Act for vacant land, two (2) are present in the Redevelopment Project Area, one (1) factor is required for a finding of blight.
- All portions of the vacant portion of the Redevelopment Project Area are impacted by blighting factors for vacant land.

The eligibility findings indicate that the Redevelopment Project Area contains factors which qualify it as a Vacant Blighted Area in need of revitalization and that designation as a Redevelopment Project Area will contribute to the long-term well being of the City. The Vacant Blighted Area eligibility factors are reasonably distributed throughout the Redevelopment Project Area.

Additional research indicates that the Redevelopment Project Area on the whole (i) has not been subject to growth and development through investment by private enterprise and (ii) would not reasonably be anticipated to be developed without the adoption of the Plan. Specifically:

- The Redevelopment Project Area has remained vacant since 1986 when the existing buildings were demolished. The buildings prior to being demolished were vacant for six (6) years.

- The lack of growth and investment by the private sector is demonstrated by the trend in the E.A.V. of all the property in the Redevelopment Project Area. The E.A.V. for the City of Chicago increased from Twenty-eight Billion Six Hundred Sixty-one Million Nine Hundred Fifty-four Thousand One Hundred Nineteen Dollars (\$28,661,954,119) in 1993 to Thirty-three Billion Nine Hundred Forty Million One Hundred Forty-five Thousand Seven Hundred Seventy-six Dollars (\$33,940,145,776) in 1998, a total of eighteen and four-tenths percent (18.4%), or an average of three and sixty eight hundredths percent (3.68%) per year. For the same time period, the Redevelopment Project Area has experienced an overall E.A.V. increase of six and thirty-eight hundredths percent (6.38%) from Seven Hundred Twenty-one Thousand Eight Hundred Fifty-three Dollars (\$721,853) in 1993 to Seven Hundred Sixty-seven Thousand Nine Hundred Dollars (\$767,900) in 1998, an average increase of only one and twenty-eight hundredths percent (1.28%) per year.
- There have been no building permits issued for the Redevelopment Project Area in the last fourteen (14) years. A demolition permit was issued to remove all of the structures.

The E.A.V. analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. from the Cook County Treasurer's Office and the Cook County Clerk's Office tax data. Based upon the findings of the Eligibility Study for the Redevelopment Project Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan.

## V.

### *Montclare Redevelopment Project.*

The Redevelopment Project is outlined in the following sections: Overall Proposed Land Uses, the Redevelopment Plan and all of the components of the Project.

#### A. Overall Project And Proposed Land Uses.

The Redevelopment Project Area will be developed as a Residential Planned Development of affordable senior housing in two (2) phases. The proposed Land-Use

Plan (see Proposed Land-Use Map 3) identifies residential as the proposed land-use that will be supported upon adoption of this Plan. The properties adjacent to the Redevelopment Project Area are well-maintained residential (bungalows, two-story homes and small walkup apartment buildings), institutional (the Shriners Children's Hospital) and industrial (the M & M Mars candy company).

As part of Phase I, approximately one hundred fifty (150) units of affordable senior housing will be developed. The units will be part of one hundred twenty-nine thousand two hundred thirty-four (129,234) square foot six-story elevator building. The proposed Planned Development also includes a single story attached community and services center which will contain a large community room, fitness center, library, card/game room and rooms for visiting medical and volunteer social service providers. The building should be designed to emulate the neighborhood characteristics of the surrounding residence and the lot-rise Shriners Children's Hospital located directly west of the site.

As part of Phase II, an additional one hundred fifty (150) units of senior apartments will be constructed, with assisted living and Alzheimer units included in the mix. The Redevelopment Project is being planned so that the full range of services for seniors who choose to live independently will be offered in the complex and make it possible for the tenants to maintain their connection to their neighborhood, relatives and friends for as long as possible. The marketing for the second phase will commence during the leasing of Phase I with the construction planned for the following year.

#### B. Redevelopment Plan And Project.

The purpose of this Plan is to create a planning and programming mechanism that also provides the financial vehicle to allow for the redevelopment of properties within the Redevelopment Project Area. The Plan contains specific redevelopment objectives addressing both private actions and public improvements, which are to assist in the overall redevelopment of the Redevelopment Project Area. Implementation of the Plan will be undertaken on a phased basis and will help to eliminate those existing conditions which make the Redevelopment Project Area susceptible to blight.

The Plan for the Redevelopment Project Area incorporates the use of tax increment funds to stimulate and stabilize not only the Redevelopment Project Area but also the properties in the surrounding area through the planning and programming of public and private improvements. The underlying Plan strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment. The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of

this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements or public or private facilities on one (1) or several parcels or for any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Plan and which include affordable housing requirements as described below.

C. Estimated Redevelopment Project Activities And Costs.

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of those listed below.

1. Analysis, Administration, Studies, Legal, Et Cetera. Funds may be used by the City to provide for activities including the long-term management of the Redevelopment Project as well as the costs of establishing the program and designing its components. Funds may be used by the City to provide for costs of studies, surveys, development of plans and specifications, marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors, implementation and administration of the Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.
2. Assemblage Of Sites/Site Preparation. To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Redevelopment Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

Property assembly costs, includes but is not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, environmental remediation, and the clearing and grading of land. Site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground

environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers are also included.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan.

3. Rehabilitation Costs. The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties, may be funded.
4. Provision Of Public Improvements And Facilities. Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:
  - a. Provision for streets, public rights-of-way and public transit facilities.
  - b. Provision of utilities necessary to serve the redevelopment.
  - c. Public landscaping,
  - d. Public landscape/buffer improvements, street lighting and general beautification improvements.
  - e. Public facilities.
  - f. Public schools
  - g. Public parks and open space
5. Job Training And Related Educational Programs. Funds may be used by the City for programs to be created for Chicago residents so that they may take advantage of the employment opportunities in the Redevelopment Project Area.

6. Financing Costs. Financing costs may be funded, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter and including reasonable reserves related thereto.
7. Capital Costs. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Project and Plan. This category may also include reimbursement of capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area, as permitted by the Act.
8. Provision For Relocation Costs. Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project Area and to meet other City objectives. Business or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City. In the event that the implementation of the Redevelopment Plan results in the removal of residential housing units in the Redevelopment Project Area occupied by low-income household or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Redevelopment Project Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Redevelopment Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than fifty percent (50%) but less than eighty percent (80%) of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United

States Department of Housing "H.U.D.", for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than fifty percent (50%) of the median income of the area of residence, adjusted for family size, as so determined by H.U.D.; and (c) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent (30%) of the maximum allowable income as stated for such households.

The costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

9. Payment In Lieu Of Taxes According To The Act.
10. Costs Of Job Training. Funds may be provided for costs of job training, advanced vocational education, "welfare to work" programs implemented by businesses located within the Redevelopment Project Area, or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one (1) or more taxing districts, provided that such costs a) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by companies located in the Redevelopment Project Area; and b) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code (as defined in the Act).
11. Interest Costs. Funds may be provided to developers or redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a developer or redeveloper related to the

construction, renovation or rehabilitation of a redevelopment project may be funded provided that:

- a) such costs are to be paid directly from the *special* tax allocation fund established pursuant to the Act;
  - b) such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the developer or the redeveloper with regard to the redevelopment project during that year;
  - c) if there are not sufficient funds available in the special tax allocation fund to make the payment described in this paragraph, then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - d) the total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of costs paid or incurred by the developer or redeveloper for the redevelopment project plus Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  - e) Up to seventy-five percent (75%) of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
12. **New Construction Costs.** Unless explicitly provided in the Act, the cost of construction of new privately owned buildings shall not be an eligible Redevelopment Project Cost.
  13. **Redevelopment And Other Agreements.** The City may enter into redevelopment agreements with private developers or redevelopers, which may include but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements. In addition, the City may enter into intergovernmental agreements with public entities to construct, rehabilitate, renovate or restore public improvements.

14. Affordable Housing. Funds may be provided for up to fifty percent (50%) of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.

In addition, the City requires that developers who receive tax increment revenues for market rate housing set aside at a minimum twenty percent (20%) of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that the affordable for sale units should be priced at a level that is affordable to persons earning no more than one hundred twenty percent (120%) of the area median income, and affordable rental units should be affordable to persons earning no more than eighty percent (80%) of the area median income.

15. Day Care Services. The cost of day care services for children of employees from low-income families working for businesses located within the Redevelopment Project Area and all or portion of the cost of operation of day care centers established by Redevelopment Project Area businesses to serve employees from low-income families working in businesses located in the Redevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed eighty percent (80%) of the City, county or regional median income as determined from time to time by H.U.D.
16. Schools. An elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act.

To undertake these activities, redevelopment project costs will be incurred. "Redevelopment project Costs" (hereafter defined as the "Redevelopment Project Costs") mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan pursuant to the Act.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 1235/0.01, et seq. then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Redevelopment Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

The City may incur Redevelopment Project Costs which are paid for from the funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The Redevelopment Project Costs represent estimated amounts and do not represent actual City commitments or expenditures.

Table 1 -- (Estimated Redevelopment Project Costs) represents those eligible project costs pursuant to the Act. These upper limit expenditures are potential costs to be expended over the maximum twenty-three (23) year life of the Redevelopment Project Area. These funds are subject to the amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis.

Table 1.

Estimated Redevelopment Project Costs.

Program/Action/Improvements	Estimated Costs*
1. Assemblage of Sites	\$ 500,000
2. Site Preparation	250,000
3 Construction of Public Works or Improvements"	250,000
4. Relocation	

\* Exclusive of capitalized interest, issuance costs and other financing costs,

(1) Construction of Public Works or Improvements may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area, as permitted by the Act.

Program/Action/Improvements	Estimated Costs*
5. Rehabilitation costs of public or private buildings and fixtures	
6. Job Training	
7. Interest Costs	\$14,700,000
8. Construction of Low/Moderate Income Senior Housing	6,000,000
9. Professional Services: studies, surveys, plans and specifications, administrative costs relating to redevelopment plan, architectural, engineering, legal, marketing, financial, planning or other services	785,000
<b>TOTAL REDEVELOPMENT COSTS<sup>(2)(3)</sup>:</b>	<b>\$22,485,000</b>

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\* Exclusive of capitalized interest, issuance costs and other financing costs.

(2) All costs are in 2000 dollars. In addition to the above stated costs, each issue of any bonds issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be reevaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed Redevelopment Projects Costs and needs.

(3) The estimated Total Redevelopment Project Costs amount does not include private redevelopment costs or costs financed from non-T.I.F. public resources. Total Redevelopment Project Costs are inclusive of redevelopment project costs incurred in contiguous Redevelopment Project Areas, or those separated only by a public right-of-way, that are permitted under the Act to be paid from incremental property taxes generated in the Redevelopment Project Area, but do not include project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous Redevelopment Project Areas OR those separated only by a public right-of-way.

#### D. Sources Of Funds To Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs are to be derived principally from tax increment revenues and proceeds of municipal obligations, which are secured principally by tax increment revenues created under the Act. There may be other sources of funds that the City may elect to use to pay for Redevelopment Project Costs or other obligations issued to pay for such costs. These sources include, but are not limited to, state and federal grants, developer contributions and land disposition proceeds generated from the Redevelopment Project Area.

The tax increment revenue that may be used to secure municipal obligations or pay for eligible Redevelopment Project Costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current E.A.V. of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the certified E.A.V. base of each such property in the Redevelopment Project Area. Without the adoption of the Plan and the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed.

The Redevelopment Project Area may, in the future, be contiguous to, or be separated only by a public right-of-way from, other Redevelopment Project Areas created under the Act. The City may utilize net incremental property taxes received from the Redevelopment Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous Redevelopment Project Areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Redevelopment Project Area, made available to support such contiguous Redevelopment Project Areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

The Redevelopment Project Area may become contiguous to, or be separated only by a public right-of-way from, Redevelopment Project Areas created under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/ 11-74.6-1, et seq.. If the City finds the goals, objectives and financial success of such contiguous Redevelopment Project Areas or those separated only by a public right-of-way are interdependent with those of the Redevelopment Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Redevelopment Project Area be made available to support any such Redevelopment Project Areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Redevelopment Project Area to pay eligible Redevelopment Project Costs (which are eligible under the industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such

revenues may be transferred or loaned between the Redevelopment Project Area and such areas. The amount of revenue from the Redevelopment Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in this Plan.

#### E. Issuance Of Obligations.

To finance Redevelopment Project Costs pursuant the Section 11-74.4-7, the City may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area, or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, the City may pledge toward payment of such obligations any part or any combination of the following: 1) net revenues of all or part of any redevelopment project; 2) taxes levied and collected on any or all property in the City; 3) a mortgage on part or all of the Redevelopment Project Area.

All obligations issued by the City pursuant to this Plan and the Act shall be retired within twenty-three (23) years (by the year 2023) from the adoption of the ordinance approving the Redevelopment Project Area. The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year following the year in which the ordinance approving this Redevelopment Project Area is adopted (by December 31, 2024). Also, the final maturity date of any such obligations which are issued, may not be later than twenty (20) years from their respective dates of issue. One (1) or more series of obligations may be sold at one (1) or more times in order to implement this Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of parity or senior/junior lien natures. Obligations issued may be serial or term maturities and may or may not be subject to mandatory, sinking fund or optional redemptions.

In addition to paying Redevelopment Project Costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, and for reserves and bond sinking funds and, to the extent that real property tax increment is not needed for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts

in the Redevelopment Project Area in the manner provided by the Act

F. Most Recent Equalized Assessed Valuation Of Properties.

The purpose of identifying the most recent equalized assessed valuation ("E.A.V.") of the Redevelopment Project Area is to provide an estimate of the initial E.A.V. which the Cook County Clerk will certify for the purpose of annually calculating the incremental E.A.V. and incremental property taxes of the Redevelopment Project Area. The 1998 E.A.V. of all taxable parcels in the Redevelopment Project Area is approximately Seven Hundred Sixty-seven Thousand Nine Hundred Dollars (\$767,900). This total E.A.V. amount, by Permanent Index Number, is summarized in Table 2. The E.A.V. is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial E.A.V. from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County.

G. Anticipated Equalized Assessed Valuation

By the year 2006, when it is estimated that the Redevelopment Project, based on currently known information, will be constructed and fully assessed, the estimated E.A.V. of real property within the, Redevelopment Project Area is estimated at between Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) and Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000). These estimates are based on several key assumptions, including: 1) all currently projected development will be constructed and occupied by 2006; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Plan; 3) the most recent State Multiplier of 2.1799 as applied to 1998 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 1998 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of two and five-tenths percent (2.5%) per year with a reassessment every three (3) years. Although development in the Redevelopment Project Area could occur after 2006, it is not possible to estimate with accuracy the effect of such future development on the E.A.V. for the Redevelopment Project Area. In addition, as described in Section P of the Plan, "Phasing and Scheduling of Redevelopment", public improvements and the expenditure of Redevelopment Project Costs may be necessary in furtherance of the Plan throughout the period that the Plan is in effect.

#### H. Lack Of Growth And Development.

As described in Section IV--Vacant Blighted Area Conditions, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Continued existence of the factors referenced above and the lack of new development projects initiated or completed within the Redevelopment Project Area evidence the lack of private investment as follows:

##### Physical Condition Of The Project Area.

The majority of the Redevelopment Project Area contains building debris and foundation materials remaining from the demolition of the structures in 1986. The conditions of the Redevelopment Project Area has not improved in the last fourteen ( 14) years.

##### Lack Of Investment And Growth By Private Enterprise.

The lack of growth and investment by the private sector is supported by the trend in the E.A.V. of all the property in the Redevelopment Project Area. The E.A.V. for all property in the City increased from Twenty-eight Billion Six Hundred Sixty-one Million Nine Hundred Fifty-four Thousand One Hundred Nineteen Dollars (\$28,661,954,119) in 1993 to Thirty-three Billion Nine Hundred Forty Million One Hundred Forty-five Thousand Seven Hundred Seventy-six Dollars (\$33,940,145,776) in 1998, a total of eighteen and forty-two hundredths percent (18.42%) or an average of three and sixty-eight hundredths percent (3.68%) per year. Over the last five (5) years, from 1993 to 1998, the Redevelopment Project Area has experienced an overall E.A.V. increase of six and thirty-eight hundredths percent (6.38%) from Seven Hundred Twenty-one Thousand Eight Hundred Fifty-three Dollars (\$721,853) in 1993 to Seven Hundred Sixty-seven Thousand Nine Hundred Dollars (\$767,900) in 1998, an average increase of one and twenty-eight hundredths percent (1.28%) per year.

##### Lack Of Any Construction By Private Enterprise.

A summary of the building permit requests for new construction and major renovation in the Redevelopment Project Area found that no permits have been issued since the buildings were demolished in 1986.

It is clear from the study of this Redevelopment Project Area that private investment in revitalization and redevelopment has not occurred to overcome the Vacant Blighted Area conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Plan.

#### I. Financial Impact Of The Redevelopment Project.

Without the adoption of this Plan and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Vacant Blighted Area conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possible erosion of the assessed value of property, which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment, could lead to a reduction of real estate tax revenue to all taxing districts. If successful, the implementation of the Plan may enhance the values of properties within and adjacent to the Redevelopment Project Area.

Subsections A, B and C of Section V of this Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating the blighting conditions which caused the Redevelopment Project Area to qualify as a Vacant Blighted Area under the Act.

The Redevelopment Project is expected to have minor financial impacts on the taxing districts affected by the Plan. During the period when tax increment financing is utilized in furtherance of this Plan, real estate tax increment revenues (from the increases in E.A.V. over and above the Certified Base E.A.V. established at the time of adoption of this Plan) will be used to pay eligible Redevelopment Project Costs for the Redevelopment Project Area. Incremental revenues will not be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, any remaining real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

#### J. Demand On Taxing District Services.

The following major taxing districts presently levy taxes against properties located within the Project Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District Of Greater Chicago. This district provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

Chicago Community College District Number 508. This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

Board Of Education Of The City Of Chicago. General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. No public schools are located in or directly adjacent to the Redevelopment Project Area.

Chicago Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreational programs. There are no parks located within the Redevelopment Project Area.

City Of Chicago. The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution, sanitation service; building, housing and zoning codes, et cetera.

The Act requires an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The proposed Redevelopment Project and Plan involves the construction of a new residential development for senior citizens. The senior residential development is not likely to cause an increased demand for capital improvements to be provided by the taxing districts. It is anticipated that there will not be the addition of any school age children in the new residential development for seniors. Therefore, as discussed below, the financial burden of the Plan and Redevelopment Project on taxing districts is expected to be moderate.

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Redevelopment Project Area. The City of Chicago Library Fund (formerly a separate taxing district from the City) no longer extends taxing levies but continues to exist for the purpose of receiving delinquent taxes.

#### Impact Of The Redevelopment Project.

The replacement of vacant and underutilized properties with senior residential development may increase the demand for services and/or capital improvements to be provided by the Chicago Board of Education, the Metropolitan Water Reclamation District, the Chicago Park District and the City. The estimated nature of these increased demands for services on these taxing districts is described below.

Chicago Board Of Education. The replacement of vacant and underutilized properties with senior residential development should not increase the demand for the educational services and the number of schools provided by the Chicago Board of Education, The new residents will be senior citizens, not school aged children.

Metropolitan Water Reclamation District Of Greater Chicago. The replacement of vacant and underutilized properties with senior residential development should not substantially increase the demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District.

Chicago Park District. The replacement of vacant and underutilized properties with senior residential development should not increase the need for additional parks. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed (see Map 3 -- Parks and Public Facilities).

City Of Chicago. The replacement of vacant and underutilized properties with senior residential properties may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, et cetera. It is expected that any increase in demand for the

City services and programs maintained and operated by the City can be adequately addressed by the appropriate City departments.

#### K. Program To Address Financial And Service Impacts

As described in detail in prior sections of this Plan, the complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty and the demand for services provided by the affected taxing districts cannot be quantified. As a result, the City has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

As indicated in Section VI, Subsection C and Table 1 of the Appendix, Estimated Redevelopment Project Costs, the City may provide public improvements and facilities to service the Redevelopment Project Area. Potential public improvements and facilities provided by the City may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project.

The following activities represent the City's program to address increased demand for services or capital improvements provided by the impacted taxing districts.

- It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District. Therefore, no special program is proposed for the Metropolitan Water Reclamation District.
- It is expected that any increase in demand for City services and programs associated with the Redevelopment Project Area can be adequately handled by existing City, police, fire protection, sanitary collection and recycling services and programs maintained and operated by the City. Therefore, no special programs are proposed for the City.
- It is expected that the households that would remain in the Redevelopment Project Area will contain no school-aged children and, at this time, no special program is proposed for the Board of Education.
- It is expected that the senior residents projected to be added to the Redevelopment Project Area are not likely to generate additional demand for recreational services and programs and, therefore, there would be no need for additional open spaces and recreational facilities operated by the

Chicago Park District. The Redevelopment Project would include the open space within the senior residential complex. The City intends to monitor development in the Project Area and, with the cooperation of the Chicago Park District, will attempt to ensure that any increased demands for the services and capital improvements provided by the Chicago Park District are addressed in connection with any particular residential and business development.

- The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.
- It is expected that any increase in demand for Cook County, Cook County Forest Preserve District and the Chicago Community College District 508's services and programs associated with the Redevelopment Project Area can be adequately handled by services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts. Should demand increase so that it exceeds existing service and program capabilities, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services.

#### L. Provision For Amending Action Plan.

The Montclare Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

#### M. Fair Employment Practices, Affirmative Action Plan And Prevailing Wage Agreement.

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Project Area.

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.

2. Redevelopers must meet City's standards for participation of twenty-five percent (25%) Minority Business Enterprises and five percent (5%) Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in Redevelopment Agreements.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers must meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor for all construction employees.

#### N. Phasing And Scheduling Of Redevelopment

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that while this Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for housing and commercial purposes will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The Redevelopment Project shall be completed, and all obligations issued to finance Redevelopment Project Costs shall be retired, no later than December 31<sup>st</sup> of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23<sup>rd</sup>) calendar year following the year in which the ordinance approving this Redevelopment Project Area is adopted (By December 31, 2024).

[(Sub)Exhibit 1 referred to in this Montclare Tax Increment Financing Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on page 39461 of this Journal.]

[(Sub)Exhibit 2 -- Map 1 referred to in this Montclare Tax Increment Financing Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 39462 of this Journal.]

[(Sub)Exhibit 2 -- Maps 2 and 3 referred to in this Montclare Tax Increment Financing Redevelopment Plan and Project printed on pages 39454 through 39455 of this Journal.]

Table 2 and (Sub)Exhibit 3 referred to in this Montclare Tax Increment Financing Redevelopment Plan and Project read as follows:

*Table 2.*  
(To Montclare Tax Increment Financing  
Redevelopment Plan And Project)

*1998 Equalized Assessed Valuation.*

Permanent Index Number	Equalized Assessed Valuation
13-31-205-061	\$374,851
13-31-205-062	393,049
TOTAL:	\$767,900

*(Sub)Exhibit 3.*  
(To Montclare Tax Increment Financing  
Redevelopment Plan And Project)

*Montclare Tax Increment Finance Program  
Eligibility Study.*

*Introduction.*

Louik/Schneider & Associates, Inc. has been retained by the Montclare Senior Residences Limited Partnership to conduct an independent initial study and survey of the proposed redevelopment area known as the Montclare, Chicago, Illinois (hereafter referred to as the "Study Area"). The purpose of this study is to determine whether the Study Area qualifies for designation as a "Vacant Blighted Area" for the purpose of establishing a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/1 1-74.4-1, et seq., as amended (the "Act").

This report summarizes the analyses and findings of the consultants' work, which is the responsibility of Louik/Schneider & Associates, Inc.. Louik/Schneider & Associates, Inc. has prepared this report with the understanding that the City of Chicago ("City") would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Study Area including the area location, description of current conditions, and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Conservation Area under the Act. Section IV, Summary and Conclusions, presents the findings.

This report was jointly prepared by Myron D. Louik, John P. Schneider, Tricia Marino Ruffolo, Luke J. Molloy of Louik/Schneider & Associates, Inc. and its subconsultants.

## II.

*Background Information.*

## A. Location.

The Study Area is located in the City, approximately eight (8) miles west of the central business district, within the Montclare community area. The Montclare community area is generally bounded by Belmont Avenue on the north, the railroad tracks south of the site on the south, Harlem Avenue on the west and the railroad tracks east of the site on the east. It is one (1) of the smallest community areas in the City. The City limits are located less than one-half ( $\frac{1}{2}$ ) mile west of the Study Area.

The Study Area is eleven and thirty-seven hundredths (11.37) acres and is generally bounded by a parcel line (approximately five hundred seventy-five (575) feet south of Grand Avenue) on the north, the Chicago, Milwaukee, St. Paul and Pacific Railroad rights-of-ways on the south and east, and the alley east of Normandy Avenue on the west (see Map 1 -- Project Boundary in Appendix).

Arterial access to the Study Area is via Oak Park Avenue (running north/south) to the west and Grand/Fullerton Avenues (running east/west) to the north. Oak Park Avenue connects the property to the nearby suburb of Oak Park (less than one (1) mile to the south) and to other Chicago neighborhoods on the far northwest side of the City. Grand and Fullerton Avenues run together for a short distance near the subject property, but split east of Narragansett Avenue. Fullerton Avenue (2400 north) runs due east to Lake Michigan. Grand Avenue runs diagonally southeast, providing access to the central business district.

Adjacent properties to the Study Area are fully developed with a mix of residential, institutional and industrial uses. To the west of the Study Area are well-maintained bungalows, two-story homes, and small walkup apartment buildings. Directly north of the Study Area is an industrial facility. An alley behind homes on the east side of Normandy Avenue borders the subject property. Many of the homes have detached garages with entrances off the alley.

Across Normandy Avenue to the west of the Study Area is the Shriners Children's Hospital complex. Immediately south of the hospital are commuter and freight lines. A Site and Market Study of the Montclare Senior Residences prepared by Valerie S. Kretchmer Associates, Inc. in April, 1999 identified that seventy-three (73) Metra and six (6) freight trains utilized the railroad tracks on a daily basis.

Beyond the railroad track to the south, the M & M Mars candy company facility office and factory space is located. Immediately to the east of the Study Area is a rail line with commercial and industrial companies adjacent to it. The companies include the Radio Flyer Company factory at the southwest corner of Grand and Narragansett Avenue, Jefferson Ice Company, Illinois Gear, Carrera Marble and Mosaics, and Maaco Auto Painting.

#### B. Description Of Current Conditions,

The Study Area consists of two (2) vacant parcels and a portion of both the alley east of Normandy Avenue and of Belden Avenue. The site is divided into three (3) portions: the northern enclosed area is located immediately south of an industrial company that fronts Grand Avenue, and is accessible either from Belden Avenue to the west or from the alley along the eastern side of the property; the southern portion which is open, also accessible from the alley; and Normandy Avenue. The parcels are adjacent to the Chicago, Milwaukee, St. Paul and Pacific Railroad rights-of-ways on the east and the south.

The northern portion of the property is currently being used to temporarily house vehicles for an automobile dealership. The surface of this area is relatively level and covered by bare concrete, asphalt over concrete or a thin soil and gravel cover over the concrete.

The southern portion of the Study Area is fenced on all sides, and is open to access from the alley to the north. In most of this section, accumulated soil cover and building debris cover the concrete surface. The land is comprised of gravel, dirt and asphalt. There are piles of construction debris and fill remaining from building demolition scattered throughout this section.

The third (3<sup>rd</sup>) portion of the Study Area includes a portion of the alleyway east of Normandy Avenue and a portion of the street right-of-way where Belden Avenue intersects the alley.

It is clear from the study of this area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Study Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of the Montclare Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project (the "Redevelopment Plan and Project").

C. Zoning Characteristics.

The Study Area is currently zoned for Residential Planned Development Number 719.

III.

*Qualification As Vacant Blighted Area.*

A. Illinois Tax Increment Act.

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two (2)), or an Industrial Park Conservation Area. The Study Area is qualified as a Vacant Blighted Area.

As set forth in the Act, a "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where if vacant, the sound growth of the redevelopment project area is impaired by one (1) of the following factors:

1. The area consists of one (1) or more unused quarries, mines or strip mine ponds.
2. The area consists of unused railyards, rail tracks or railroad rights-of-way.
3. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
4. The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.
5. Prior to November 1, 1999, the area is not less than fifty (50) nor more than one hundred (100) acres and seventy-five percent (75%) of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one (1) of the eligibility factors required for a finding of blight in an improved area, the

area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The Act further states that the eligibility factors must be (i) present to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains.

The following section defines each of the eligibility factors according to the Act that were found in the Study Area and presents the findings and conclusions for each factor. On the basis of this approach, the Study Area is eligible for designation as a Vacant Blighted Area within the requirements of the Act.

#### B. Survey And Analysis Of Study Area

The presence of the eligibility factors were determined by a survey and analysis of a variety of reports that attest to condition of the Study Area. The key components of the survey and analysis included the following:

- Field surveys of the parcels of the Study Area were conducted by Louik/ Schneider & Associates, Inc. to access the current conditions of the property.
- An affidavit signed by the previous property owner of the site that established the conditions of the structures prior to their demolition.
- The Belden/Normandy Blighted Commercial District Report ("Designation Report") by the City of Chicago to establish the condition of the structures prior to their demolition.
- A Subsurface Characterization of the Property at 6650 West Belden Avenue in Chicago conducted by Huff & Huff, Inc. in 1995 to examine the conditions of the property after the demolition of the structures.

### C. Vacant Blighted Area Eligibility Factors

A finding may be made that the Study Area is a Vacant Blighted Area based on the fact that it exhibits the presence of one (1) or more of the eligibility factors described above in Section III. The Study Area meets the following two (2) eligibility factors as defined by the Act:

1. The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.

### Conclusion

The majority of the Study Area is an unused disposal site containing building debris and foundation materials remaining from the demolition of the structures in 1986. The presence of this eligibility factor was documented by field surveys by Louik/Schneider & Associates, Inc. and an environmental study conducted by Huff and Huff, Inc.

In February 1995, Huff and Huff, Inc., an environmental engineering firm, conducted a subsurface investigation which included a ERG Phase I Environmental Site Assessment which was prepared by James E. Huff, P.E. and Joseph A. Kissnage, P.G. to establish the site geology and determine the potential for ground water contamination. On December 20, 1994, site inspections were conducted by Huff and Huff, Inc. which consisted of a walk-through inspection and collection of readings with a photoionization detector (P.I.D.). The investigation concluded as part of the report a description of the current condition of the land as follows:

The site is generally flat with less than five (5) feet in total relief over the entire eleven (11) acres. Most of the relief on the site is related to piles of construction debris or fill remaining from the demolition of the Revere Brass facility. Based on the walk-through survey and drilling, nearly all of the site is underlain by the concrete remains of the Revere Brass Works. This concrete is relatively level, nearly continuous and includes former floors, wall footings and foundations.

Field surveys conducted in February, 2000 by Louik/ Schneider&Associates, Inc. indicated that the condition of land in the Study Area was consistent with the investigation report of five (5) years earlier. The site has remained unchanged since the completion of the environmental assessment.

2. The area qualified as a blighted improved area immediately prior to

becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

#### Conclusion

The Study Area, prior to becoming vacant land, had been utilized by the Revere Brass Works company. Revere Brass Works was located in four (4) buildings at this site (6650 West Belden Avenue) until 1978. The buildings remained vacant for six (6) years until they were demolished. The conditions of the former Revere buildings prior to their demolition was established through the following:

- Signed affidavit from the previous property/building owner.
- Designation of the Study Area as a Blighted Commercial Area by the City's Commercial District Development Commission.

An affidavit to the condition of the buildings prior to the demolition was obtained from the owner of the property at that time. The affidavit outlines the conditions of the building as exhibiting the following characteristics of age, dilapidation, obsolescence, deterioration, excessive vacancies and depreciation of physical maintenance.

In February, 1981, the Study Area was designated as blighted industrial in a Belden/Normandy Blighted Commercial District Report ("Designation Report") under Chapter 15.1 of the Municipal Code of Chicago. The Code defines a Blighted Commercial and/or Industrial Area as "any area of not less in the aggregate than two (2) acres located within the territorial limits of the City of Chicago, where seventy-five percent (75%) of the land area is devoted to commercial use and where commercial buildings or improvements, because of age, dilapidation, obsolescence, overcrowding, lack of ventilation, light, sanitary facilities, inadequate utilities, excessive land coverage, deleterious land-use or layout, inadequate and ineffective use, failure to produce a proper share of tax revenues to provide employment commensurate with the capacity of the area, or any combination of these factors, are detrimental to the public safety, health, morals, welfare and economic stability". The findings of the Designation Report were that "the Belden-Normandy Area shows that there exists within this industrial site, blighting conditions of age and deterioration of structures, ineffective land-use and obsolescence in design". The Designation Report further states that the "optimum economic efficiency of a modern industry is not capable of being achieved under the structures' present conditions".

## IV.

*Summary And Conclusion.*

The conclusion of the consultant team is that the number, degree and distribution of Vacant Blighted Area eligibility factors as documented in this report warrant the designation of the Study Area as a Vacant Blighted Area as set forth in the Act. Specifically:

- Of the seven (7) factors set forth in the Act for vacant land, two (2) are present in the Study Area, one (1) factor is required for a finding of blight.
- All portions of the Study Area are impacted by blighting factors for vacant land.

Additional research indicates that the Study Area on the whole has not been subject to growth and development for the past twenty (20) years as a result of investments by private enterprise, and will not be developed without action by the City. Specifically:

- The Study Area has remained vacant and unimproved since 1986 when the existing buildings were demolished. The buildings prior to being demolished were vacant for six (6) years.
- The lack of growth and investment by the private sector is demonstrated by the trend in the E.A.V. of all the property in the Study Area. The E.A.V. for the City of Chicago increased from Twenty-eight Billion Six Hundred Sixty-one Million Nine Hundred Fifty-four Thousand One Hundred Nineteen Dollars (\$28,661,954,119) in 1993 to Thirty-three Billion Nine Hundred Forty Million One Hundred Forty-five Thousand Seven Hundred Seventy-six Dollars (\$33,940,145,776) in 1998, a total of eighteen and four-tenths percent (18.4%), or an average of three and sixty-eight hundredths percent (3.68%) per year. For the same time period, the Study Area has experienced an overall E.A.V. increase of six and thirty-eight hundredths percent (6.38%) from Seven Hundred Twenty-one Thousand Eight Hundred Fifty-three Dollars (\$721,853) in 1993 to Seven Hundred Sixty-seven Thousand Nine Hundred Dollars (\$767,900) in 1998, an average increase of only one and twenty-eight hundredths percent (1.28%) per year.
- There have been no building permits issued for the Study Area in the last fourteen (14) years except for a demolition permit.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution that the Study Area qualifies as a Vacant Blighted Area and make this report a part of the public record. The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc.. The surveys, research and analysis conducted include:

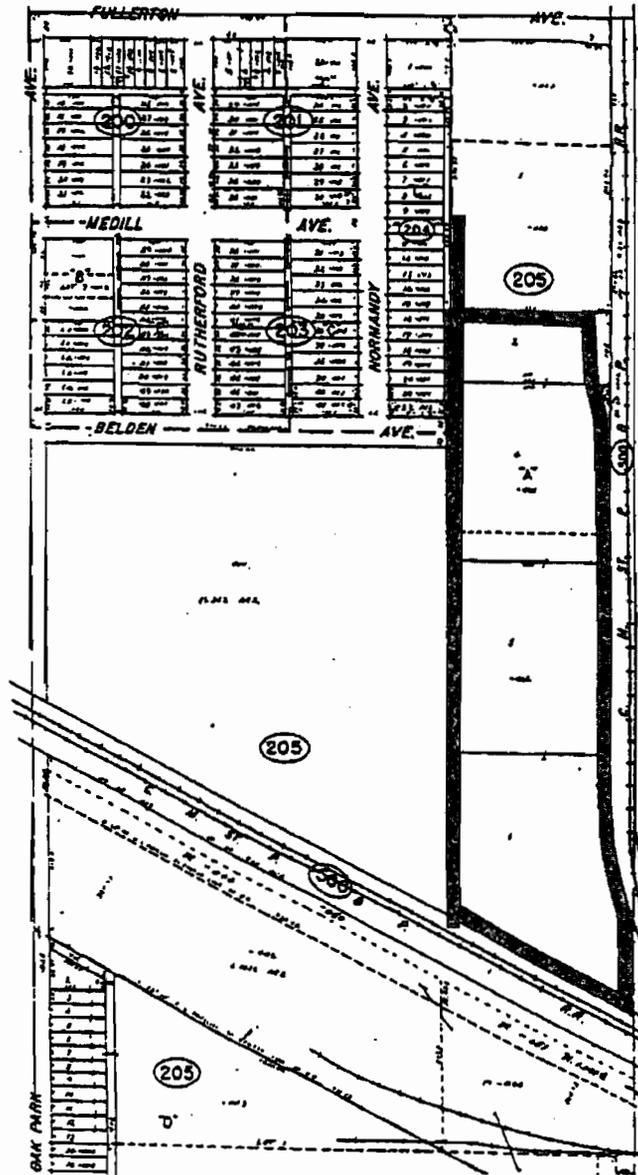
1. exterior surveys of the conditions and use of the Study Area;
2. field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. comparison of current land uses to current zoning ordinance and the current zoning maps;
4. historical analysis of site uses and users;
5. analysis of original and current platting and building size layout;
6. review of previously prepared plans, studies and data including the environmental studies, a blighted designation report, a site and market survey;
7. analysis of building permits and building code violations requested from the Department of Buildings for all parcels in the Study Area; and
8. evaluation of the E.A.V.'s in the Study Area from 1993 to 1998.

The Study Area qualifies as a Vacant Blighted Area and is therefore eligible for Tax Increment Financing under the Act.

[Boundary Map referred to in this Montclare Tax Increment Finance Program Eligibility Study constitutes (Sub)Exhibit 2 -- Map 2 to the Montclare Tax Increment Financing Redevelopment Plan and Project and is printed on page 39454 of this Journal.]

(Sub)Exhibit 2 -- Map 2.  
(To Montclare Tax Increment Financing  
Redevelopment Plan And Project)

Existing And Proposed Land-Use.



— Boundary Line  
□ Residential

↑ North



*Exhibit "B".*  
*(To Ordinance)*

State of Illinois )  
                          )SS.  
County of Cook )

*Certificate*

I, Michelle Nolan, the duly authorized, qualified and Assistant Secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a resolution adopted by the Community Development Commission of the City of Chicago at a regular meeting held on the thirteenth (13<sup>th</sup>) day of June, 2000 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said resolution.

Dated this the thirteenth (13<sup>th</sup>) day of June, 2000.

(Signed) Michelle Nolan  
Assistant Secretary

Resolution Number OO-CDC-78 referred to in this Certificate reads as follows:

*Community Development Commission*

*Resolution 00-CDC-78*

*Recommending To*  
*The City Council Of The City Of Chicago*

*For The Proposed*

*Montclare Redevelopment Project Area:*

*Approval Of A Redevelopment Plan,*

*Designation Of A Redevelopment Project Area*

*And*

*Adoption Of Tax Increment Allocation Financing.*

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") (as codified in Section 2-124 of the City's Municipal Code) pursuant to Section 5/11-74.44(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (1993) (the "Act"); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.44(k) of the Act including the holding of certain public hearings required by the Act; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations and studies of the Montclare area, the street boundaries of which are described on (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Act (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Act ("Tax Increment Allocation Financing"), and has previously presented to the Commission for its review the:

Montclare Redevelopment Project Area Tax Increment Finance Eligibility Study, Redevelopment Plan and Project (the "Plan"); and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") pursuant to Section 5/11-74.4-5(a) of the Act, convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.4-5(b) of the Act, set the dates of such Hearing and

Board meeting and give notice thereof pursuant to Section 5/ 11-74.4-6 of the Act; and

Whereas, The Plan was made available for public inspection and review prior to the adoption by the Commission of Resolution OO-CDC-64 on April 25, 2000 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois, in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1000; and

Whereas, Notice of the Hearing by publication was given at least twice, the first publication being on May 15, 2000, a date which is not more than thirty (30) nor less than ten (10) days prior to the Hearing, and the second publication being on May 22, 2000, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts having property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by both certified and regular mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on May 22, 2000, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding year were not paid, notice was also mailed to the persons last listed on the tax rolls as the owners of such property within the preceding three (3) years; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Community Affairs ("D.C.C.A.") and members of the Board (including notice of the convening of the Board), by depositing such notice in the United States mail by certified mail addressed to D.C.C.A. and all Board members, on April 28, 2000, being a date not less than forty-four (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts having taxable property within the Area, on April 28, 2000, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on June 13, 2000 at 2:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on May 12, 2000 at 2:00 P.M. (being a date no more than fourteen (14) days following the mailing of the notice to all taxing districts on April 28, 2000) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Commission has reviewed the Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.4-3(n) of the Act or such other section as is referenced herein:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;

b. the Plan;

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not more than twenty-three (23) years from the date of the adoption of the ordinance approving the designation of the Area as a

redevelopment project area, and, as required pursuant to Section 5/ 11-74.4-7 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. the Area would not reasonably be expected to be developed without the use of incremental revenues pursuant to the Act, and such incremental revenues will be exclusively utilized for the development of the Area;

e. the Area includes only those contiguous parcels of real property and improvements thereon that will substantially benefit from the proposed Plan improvements, as required pursuant to Section 5/11-74.44(a) of the Act; and

f. as required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) the Area is not less, in the aggregate, than one and one-half (1%) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area as defined in the Act.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/ 11-74.44 of the Act.

Section 4. The Commission recommends that the City Council designate the Area as a redevelopment project area pursuant to Section 5/ 11-74.44 of the Act.

Section 5. The Commission recommends that the City Council adopt tax increment allocation financing within the Area.

Section 6. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to the City Council.

Adopted: June 13<sup>th</sup>, 2000.

[(Sub)Exhibit "A" referred to in this Resolution OO-CDC-78 constitutes Exhibit "D" to the ordinance and is printed on page 39461 of this Journal.]

*Exhibit "C".*  
(To Ordinance)

*Montclare Redevelopment Project  
Area Legal Description.*

Lot 2 (except the east 40 feet thereof) and all of Lots 4, 5 and 6 (in the west half of the northeast quarter of Section 3 1, Township 40, Range 13) in Owners' Division of that part of the east 400 feet of the west of the northeast of Section 3 1, Township 40 North, Range 13 East of the Third Principal Meridian, lying northerly of the northerly line of the right-of-way of Chicago, Milwaukee and St. Paul Railroad, excepting therefrom streets and that part of the east 50 feet thereof deeded to the Chicago Suburban Railroad.

*Exhibit "D".*  
(To Ordinance)

*Montclare Redevelopment Project Area  
Street Boundary Description.*

The area consists of 11.37 acres and is bounded by a parcel line approximately 575 feet south of West Grand Avenue on the north; the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way on the south and the east; and the alley east of North Normandy Avenue on the west.



DESIGNATION OF MONTCLARE REDEVELOPMENT PROJECT  
AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, August 30, 2000.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration an ordinance designating the Montclare Redevelopment Project Area as a redevelopment project area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman*

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas--Aldermen Granato, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Levar, Schulter, M. Smith, Moore, Stone -- 47.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Montclare Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, The Plan (including the related eligibility report (the "Report") attached thereto as an exhibit) was made available for public inspection and review pursuant to Section 5/11-74, 4-5(a) of the Act beginning on April 25, 2000, prior to the adoption by the Community Development Commission of the City (the "Commission") at which the Commission adopted Resolution OO-CDC-64 on April 25, 2000 accepting the Plan for review and fixing the time and place for a public hearing ("Hearing"), at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related Report attached thereto as an exhibit) and of how to obtain the same was sent by mail on May 1, 2000, which is within a reasonable time after the adoption by the Commission of Resolution OO-CDC-64 to: (i) persons who reside in the zip code area(s) contained in whole or in part in the proposed Area and are registered interested parties for such Area, and (ii) organizations that operate in the City that are registered interested parties for such Area; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.4-5(b) of the Act (the "Board") was convened upon the provision of due notice on May 12, 2000 to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, Pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the Commission held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on June 13, 2000; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution OO-CDC-78, recommending to the City Council designation of the Area as a redevelopment project area pursuant to the Act, among other related matters; and

WHEREAS, The City Council has heretofore approved the Plan, which was identified in an ordinance of the City of Chicago, Illinois approving a redevelopment plan for the Montclare Redevelopment Project Area; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings:

a. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;

b. as required pursuant to Section 5/11-74.4-3(p) of the Act:

(i) the Area is not less, in the aggregate, than one and one-half (1%) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and a blighted area, as defined in the Act;

c. if the Area is qualified as a "blighted area", whether improved or vacant, each of the factors necessary to qualify the Area as a redevelopment project area on that basis is (i) clearly present within the intent of the Act and with that presence documented to a meaningful extent, and (ii) reasonably distributed throughout the improved part or vacant part, as applicable, of the Area as required pursuant to Section 5/11-74.4-3(a) of the Act.

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/ 1 1-74.4-4 of the Act.

SECTION 5. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions

of this ordinance.

SECTION 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on page 39467 of this Journal.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".*

*Montclare Redevelopment Project  
Area Legal Description.*

Lot 2 (except the east 40 feet thereof) and all of Lots 4, 5 and 6 (in the west half of the northeast quarter of Section 31, Township 40, Range 13) in Owners' Division of that part of the east 400 feet of the west of the northeast of Section 3 1, Township 40 North, Range 13 East of the Third Principal Meridian, lying northerly of the northerly line of the right-of-way of Chicago, Milwaukee and St. Paul Railroad, excepting therefrom streets and that part of the east 50 feet thereof deeded to the Chicago Suburban Railroad.

*Exhibit "B".*

*Montclare Redevelopment Project  
Area Boundary Description.*

The area consists of 11.37 acres and is bounded by a parcel line approximately 575 feet south of West Grand Avenue on the north; the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way on the south and the east; and the alley east of North Normandy Avenue on the west.



ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR  
MONTCLARE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, August 30, 2000.

*To the President and Members **of** the City Council:*

Your Committee on Finance, having had under consideration an ordinance adopting tax increment allocation financing for the Montclare Redevelopment Project Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas-- Aldermen Granato, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Dixon, Beale, Pope, Balcer, Frias, Burke, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, DeVille, Munoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Wojcik, Suarez, Matlak, Mell, Austin, Colom, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Levar, Schulter, M. Smith, Moore, Stone -- 47.

Nays -- None

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interest of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/ 11-74.4-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Montclare Redevelopment Project Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, The Community Development Commission of the City has forwarded to the City Council of the City ("City Council") a copy of its Resolution OO-CDC-78, recommending to the City Council the adoption of Tax Increment Allocation Financing for the Area, among other things; and

WHEREAS, As required by the Act, the City has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The Montclare Redevelopment Project Area and has heretofore designated the Area as a redevelopment project area by passage of An Ordinance Of The City Of Chicago, Illinois Designating The Montclare Redevelopment Project Area A Redevelopment Project Area Pursuant To The Tax Increment Allocation Redevelopment Act and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Tax Increment Allocation Financing Adopted. Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/ 11-74.4-8 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.

SECTION 3. Allocation Of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 5/11-74.4-9(c) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

a. that portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to, and when collected shall be paid by the county collector to, the respective affected taxing districts in the manner required by law in the absence of the adoption of Tax Increment Allocation Financing; and

b. that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to, and when collected shall be paid to, the City Treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "Montclare Redevelopment Project Area Special Tax Allocation Fund" of the City for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

SECTION 4. Invalidity Of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on page 39472 of this Journal.]

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".*

*Montclare Redevelopment Project  
Area Legal Description.*

Lot 2 (except the east 40 feet thereof) and all of Lots 4, 5 and 6 (in the west half of the northeast quarter of Section 31, Township 40, Range 13) in Owners' Division of that part of the east 400 feet of the west of the northeast of Section 31, Township 40 North, Range 13 East of the Third Principal Meridian, lying northerly of the northerly line of the right-of-way of Chicago, Milwaukee and St. Paul Railroad, excepting therefrom streets and that part of the east 50 feet thereof deeded to the Chicago Suburban Railroad.

*Exhibit "B".*

*Montclare Redevelopment Project Area  
Street Boundary Description.*

The Area consists of 11.37 acres and is bounded by a parcel line approximately 575 feet south of West Grand Avenue on the north; the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way on the south and the east; and the alley east of North Normandy Avenue on the west.